

THE BRITISH TRADE BOOK

A SURVEY OF THE HOME PRODUCTION AND INDUSTRIES
OF THE UNITED KINGDOM, ETC., AND SHOWING THE
COURSE OF BRITISH AND INTERNATIONAL COMMERCE,
WITH THE BEARING OF THESE INVESTIGATIONS UPON
SOME ECONOMIC QUESTIONS

BY JOHN HOLT SCHOOLING

INCLUDING 358 TABLES AND DIAGRAMS
SHOWING TRADE TENDENCIES, ETC.

(FOURTH ISSUE)

THIS BOOK IS ISSUED AT INTERVALS OF TWO OR THREE YEARS

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INTRODUCTORY NOTE

IN this fourth issue of the *British Trade Book* all the Tables, etc., retained from the first three issues have been brought up to date, and much additional information is now included which has resulted from new pieces of investigation. The survey of Home Production and industries in Chapter I. is wholly new; and most of the other chapters include the results of further investigation made since the third issue of the book ~~was~~ published.

J. H. S.

PREFACE TO THE THIRD ISSUE

BY PROFESSOR W. J. ASHLEY

WE are apt to speak far too slightly of the intellectual results of "political controversy." And certainly in the sphere of Economics the contrast so often drawn between "science" and "politics" is a strained and misleading one. It is true that, even in Economics, a purely scientific ideal—an ideal of the pursuit of truth for its own sake—does influence, in a greater or less degree, a certain number of serious students. Between that ideal and the practices to which political controversialists are prone, there is a wide gulf. Yet, after all, when one looks back upon the course of "economic science" during the last hundred years, one cannot help seeing that it has been in large measure the pressure of public discussion that has stimulated serious economic inquiry. And the outcome of inquiry so stimulated may be a real scientific advance. It may result in the more careful formulation of particular lines of reasoning; it may extend to wide circles, conceptions before familiar only to a few.

There are welcome signs in several directions that such an advance is taking place beneath the turmoil of the present fiscal controversy. Mr Schooling's treatise is a conspicuous example of the kind of thing I have in mind. More than thirty years ago, Jevons called attention to the remarkable fact that the course of trade and industry is clearly divided into cycles of prosperity and depression. The evidence he adduced, covering the whole of the eighteenth and nineteenth centuries down to 1878, made it equally clear that the average length of the cycle was about ten years. Since his time the European world has

been less troubled with "crises." This may perhaps be due to greater caution in the use of credit, or to a lessening in the severity of competition among producers. But though the "crisis" may be tending to become a thing of the past, the fluctuations of business activity and stagnation still follow one another in wave-like succession. Anyone will see this who looks at either the trade charts or the unemployment charts in the two "Fiscal Blue Books"; and, though we are too near current events to know how long contemporary waves of trade will ultimately turn out to have been, those since the time of Jevons have apparently been of much the same average length as in preceding periods.

The conclusion to be drawn from Jevons' facts would seem a pretty obvious one had it not taken so long to be realised. It is that no argument can stand which does not take account of the cycle of trade. No comparison of isolated years, no comparison of short consecutive periods can be relied upon to give properly comparable data. And if averages are to be used at all, the least that must be demanded are decennial averages. By averaging each year with at least nine others, allowance will be made for the usual number of fat and lean seasons; and by a series of decennial averages ~~taken~~ annually, it will be possible to indicate with accuracy the general trend of phenomena as distinguished from the oscillations of particular years.

What may be called "the continuous decennial-average plan" of presenting trade figures had been occasionally made use of by professed statisticians in connection with what is known as the "smoothing of curves," before Mr Schooling began to employ it for his investigations. But Mr Schooling—who was brought to it independently by his search for a form of presentation which should be free from the risks of partisanship or accident—has been the first to make a complete and absolutely consistent use of it on a large scale, and to press it upon the attention of the general public. In the tables which make up this volume and its predecessors he has

taken our trade as a whole, and in its subdivisions of kind and direction, and with the aid of the method of decennial averaging he has made clear its general movement and character. With the competent skill resulting from long actuarial practice in the handling of great masses of figures, and with astonishing thoroughness and patience, he has worked over the vast heaps of crude data furnished to us by Government offices, and has presented their substance in usable form. This is a performance which calls for grateful recognition from all parties. In the interpretation of the facts, of course, there is likely to be, for some time yet, reasonable ground for some divergence of opinion. Here and there the apparent significance of Mr Schooling's charts may need to be either attenuated or magnified. For a ten-years' grouping is only a working approximation to the actual length of the several trade-waves. And though the rough-and-ready "correction" of actual figures by reference to the calculated price-level of some other period, which some writers have proposed, but from which Mr Schooling carefully abstains, is a procedure that raises perhaps more difficulties than it solves, there are branches of our trade, as Mr Schooling has himself indicated, in which movements of price have to be specially remembered. Yet for any further commentary of this kind Mr Schooling's charts furnish the necessary text; and such considerations hardly affect his main conclusions. After all, we must get the facts before we can profitably set about explaining them. What Mr Schooling does undoubtedly establish is this: that, since the decade 1880-1889, with which his inquiries commence, English trade has undergone remarkable changes both in its character and in its direction, and that these changes are apparently still in progress. Let all serious controversialists reach the point of agreeing upon the nature and tendency of these changes, and a great step will have been gained in intelligent discussion.

W. J. ASHLEY.

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READERS of former issues of this book have suggested that in the present issue it would be useful specially to direct attention to some of the more notable results brought out by the method of investigation here used for the purpose of substituting the examination of economic fact for the acceptance of economic theory.

Throughout the book many instances will be found where orthodox economic theory is contradicted by the investigation of economic fact. And as the method of investigation also brings to the light many pieces of knowledge not hitherto sought for nor gained, it seems desirable to let this present issue of the book accord with the suggestion made by several readers of former issues.

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Pages 578-582.—An Investigation of Wheat Prices and of Bread Prices.

The foregoing page-references may be useful. But as readers may find in the book other investigations they may desire to note, a blank space is provided on pages xix. and xx. for the insertion of additional page-references.

SOME COMMENTS ON THE FIRST THREE ISSUES OF THE "BRITISH TRADE BOOK"

Daily Chronicle — "No thoughtful and patriotic Englishman, whatever his political creed, will refuse gratitude to Mr Schooling for this most opportune work

Vital aspects of our national trade, illustrated with a great number of new, striking, and, in some respects, highly original tables. . . His work is, in short, a piece of economic pathology. The excellence of Mr Schooling's method is clear at a first glance among his tables. . . One may differ from some of the conclusions to which our author comes—but he approaches his subject prepared to take trouble over it, anxious to illumine it, and such service is always entitled to praise. The book contains a mass of information."

Saturday Review — "Mr Holt Schooling is not a statistician who seeks to make figures subserve party interests. His sole aim is to collate them in order to ascertain what they prove."

Chamber of Commerce Journal.—"A painstaking and valuable compilation, of great interest and utility."

Vanity Fair — "So lucidly arranged that even a busy man can understand the results of Mr Schooling's patient research without any waste of time."

Northern Whig.—"This most important work . . . is a wonderful instance of monumental industry."

Globe — "Compiled with much care and elaboration."

Daily Mail.—"Deserves the closest possible study. Masterly."

Pall Mall Gazette — "Mr Holt Schooling sets an example to all by his patient analysis of statistics and investigation of their meaning . . . Very different from hasty and superficial impressions. Mr Schooling has rendered an inestimable service."

Scotsman — "Our trade is looked at from every point of view, and in every relation."

Guardian — "To go through the book would amount to an education in commercial economy."

Daily Express.—"Striking and interesting."

Liverpool Courier.—"The fact that Mr John Holt Schooling is responsible for the *British Trade Book* is a guarantee as to the accuracy of its contents. Masterly. A work of much value."

Journal of the Royal Statistical Society — "The statistics are examined so as to exhibit the general trend apart from fluctuations of short periods. The method used is good, and the volume gives a very wide survey of many aspects of trade."

Times.—"Mr Schooling has dealt in a strictly honest and impartial fashion with the material at his disposal. . . Cannot fail to get much insight into the course of trade from Mr Schooling's clear-sighted methods."

Newcastle Chronicle.—"Will be pondered with interest by those who are careful to watch the course of British trade."

Sheffield Daily Telegraph.—"The *British Trade Book* substantially enhances Mr Holt Schooling's great reputation."

Glasgow Herald — "The usefulness of Mr Schooling's computations may not be denied. Unique in its completeness."

Birmingham Daily Post.—"Obviously the product of much hard and ingenious work."

Standard.—"Among the books published this year, Mr John Holt Schooling's *British Trade Book* should rank as one of the foremost."

Aberdeen Free Press.—"The interesting computations in which it abounds."

Iron and Coal Trades Review.—"The most important and reliable work of its kind that has appeared in recent years."

Manchester Guardian.—"We are bound to recognize the skill and ingenuity with which both tables and diagrams are constructed."

Nottingham Daily Guardian.—"Mr Holt Schooling's reputation lifts him above any possible reproach of partisanship. The enormous amount of patient labour he has devoted to his work."

The British Exporter.—"Mr Schooling has long since made his mark as an authority on the lessons conveyed by figures in the true sense of the term."

Athenæum.—"It is again invaluable. . . The accuracy of the facts laboriously compiled and powerfully set forth, and supported, has not, we think, been disputed since the appearance of the former volume."

The Evening Standard.—"A valuable publication. Mr Schooling has a genius for the calm consideration of statistics."

Saturday Review.—"Mr Schooling is clearly determined to spare no pains to make his record of British Trade of the utmost value."

Globe.—"Mr John Holt Schooling is to be congratulated upon the manner in which the vast amount of information contained in the volume is placed before his readers. . . . The method is exceptionally good. . . . The volume is an admirable one. . . . It is rather a pity that the price of half-a-guinea puts the volume beyond the reach of intelligent working-men,* who would derive a clear view of the fiscal problem from its perusal."

Scotsman.—"Mr Schooling throws some valuable light upon this question of employment."

Nottingham Guardian.—"As a monument of painstaking industry and statistical skill, the volume will excite as much surprise and admiration as the first issue, while Mr Schooling's reputation is guarantee enough as to accuracy."

Northern Whig.—"It is a fine contribution to contemporary knowledge. . . . It is a pity that more of our politico-economic writers would not follow Mr Schooling's excellent lead. . . . It would be frankly impossible to suggest the wealth of information Mr Schooling has amassed in this most important work. . . . Everything bearing on our international trade is set out clearly, concisely, and convincingly, no matter what view it may affect."

Westminster Gazette.—"An elaborate and painstaking volume. . . . The course of trade can be seen at a glance. . . . The figures are dealt with impartially, and give every indication of much care and labour."

Liverpool Courier.—"Though now only in its second year of issue, Mr J. Holt Schooling's most complete, accurate, and exhaustive work has come to be regarded as an invaluable guide by all students of the course of British Trade."

Guardian.—"This is going to be one of the great books of reference, universally recognised as such, a storehouse of sifted and ordered facts, indispensable to any one taking part in current economic controversies."

Morning Post.—"The first scientific investigation in the English language of the tendencies of British Trade. As a study of economic pathology, it is as striking as Mr Booth's studies in social pathology, which it resembles, too, in its scientific and impartial tone. Mr Schooling's method is clear, original, and fair. . . . His conclusions are those of a practical and full thinker. . . . The tables are models of lucid arrangement. . . . We wish it were possible to reproduce even in outline the method of this exhaustive inquiry. . . . Mr Schooling's discussion brings fresh air in the sickly chamber of Political Economy. . . . No student of Mr Schooling will ever wander long in the slough of platitude and paradox which fifty years ago was called 'Political Economy.'"

Aberdeen Free Press.—"How enormous is the labour that has gone to the preparation of this volume."

* The Book is in nearly all the Free Public Libraries.

Pall Mall Gazette.—"The first issue won general praise for its abundance of materials, lucidity of arrangement, and generally informing qualities. Of the second edition the same appreciative views will be held. . . . Careful and most instructive."

Standard.—"Certainly it is astonishingly simple to consult on any vital trade issue."

Sheffield Independent.—"One cannot but admire the minute and laborious diligence that has been bestowed. . . . Again, if one does not accept the author's conclusions, one can at any rate thank him for the mass of information he has carefully provided and skilfully arranged."

Birmingham Post.—"Exceptionally interesting."

South Wales Daily News.—"A reader cannot go through the book without securing much enlightenment. . . . Altogether creditable for the painstaking skill and ingenuity of the Author. He is remarkably careful. . . . A most serviceable contribution has been made to economic study."

Engineer.—"A wide survey of international commerce."

Yorkshire Observer.—"It is a monument of industry. . . . Free-traders will find in it much that is new and instructive. . . . Let us say at once for Mr Holt Schooling that the best way to consider his book—the only useful way—is to accept throughout his sincerity, good faith, and unwillingness to mislead if he knows it. One's reasons for feeling thus surely of a writer or speaker are not always definable. . . . Let us add that his masses of figures may be depended upon, so far as our many incidental tests have gone."

Newcastle Journal.—"Mr J. Holt Schooling's exhaustive work on British Trade"

Lancashire Post.—"The British Trade Book, by the eminent statistician, John Holt Schooling, whose method of compiling by yearly averages in decades is acknowledged by all authorities to be the most reliable."

British and Tariff Reform Journal.—"The authority of the author is unimpeachable. No existing economic writer knows the subject better—few as well. . . . But there is still another reason which commends Mr Schooling's work. It is its true scientific spirit. It is conceived and carried out entirely and with absolute fidelity on the inductive method. It is a lamentable fact that although the Baconian system has been applied to most domains and departments of human investigation, it has not been hitherto applied to the study of political economy to any marked extent. . . . Under the guidance of Mr Schooling, the student is helped to right conclusions on the only right basis of investigation—pursuit of the truth, and nothing but the truth."

Liverpool Courier.—"The British Trade Book is worthy of all seekers after fiscal truth. It is a great work, paid tribute to even by the Radical press."

Manchester Guardian.—"Mr Schooling's valuable book."

The Outlook.—"Mr Holt Schooling's standard work, the British Trade Book."

Englishman (Calcutta).—"The two outstanding features of the book are its comprehensiveness and its systematic arrangement. The statistics and the graphs are specially worthy of mention. The author has clearly demonstrated the necessity of condensing and massing crude isolated statistics, or in other words, of making the course of trade show itself. The book is a monument of painstaking research, and it is full of important facts, interesting at once to the student of international trade, and to the ordinary man of business . . . There is not a page of this well-known book of Mr John Holt Schooling that ought to be left unstudied."

Manchester City News.—"A luminous study of the courses—upward and downward—of England's trade."

Athenæum.—"A study wisely undertaken."

Birmingham Post.—"It is concerned solely with the course of trade, with the investigation of trade tendencies over a long period, and not with the quoting of mere statistics."

Bookseller.—"Mr Schooling's method of taking not single years, but a ten-years' cycle, makes it possible to indicate with accuracy the general trend of phenomena as distinguished from the oscillations of particular years."

Daily Mail.—"No one can close this book without feeling that it is a 'book of good faith,' that the author hides nothing, and that his only desire is to ascertain the truth. . . . A word must be said for the patience and industry displayed ; and it may be added that the pages are never dull."

Western Morning News.—"Mr Schooling's work stands alone as a repertoire of facts and arguments bearing upon the course and prosperity of the trade of this country. With immense industry, Mr Schooling has worked out no fewer than 340 tables and diagrams showing trade tendencies, etc."

Globe.—"This comprehensive and extremely useful volume must be consulted by readers themselves."

Nottingham Guardian.—"Mr Schooling's reputation as an expert statistician and student of economics are so well established that his valuable book on British and international trade has made for itself a position without a rival. . . . The fact that since the publication of the first edition no error has been reported to the author, speaks volumes for the care with which his laborious work has been accomplished."

Northern Whig.—"Detailed, authoritative, and impartial. . . . It need scarcely be pointed out that the volume is a representative one, and a permanent contribution to the enlightened discussion of the topics with which it deals. While in its entirety it has many points of extreme value, and its contents have been marshalled with freshness and competence, its great characteristic lies in Mr Schooling's plain desire to ascertain the truth, and nothing but the truth."

Glasgow Herald.—"However Mr Schooling's opinions on economic questions may be regarded, there can be but one view of the value of his computations and of the completeness of the information he has gathered and arranged. The book is a marvel of ability and of painstaking industry."

Western Press.—"A knowledge of the course of international commerce and its bearing upon our internal trade and industries is of essential importance to everyone. Therefore, when such an eminent statistician as Mr John Holt Schooling approaches the subject, his views must be read thoughtfully. . . . This is a performance which calls for grateful recognition from all parties."

Aberdeen Free Press.—"Those who differ from Mr Schooling, however, will frankly recognise and commend the excellence of his work, and publicists and students of economics, irrespective of their particular standpoint, will find this digest of British trade useful and valuable. . . . The volume represents an immense amount of labour, and it will be cordially recognised as an exhaustive and thorough piece of work."

Observer.—"A complete survey of the course of British and International commerce."

AND

The Spectator.—"Our function in these columns is discharged when we say that it would be well to use literary rather than typographical emphasis."

INTRODUCTION

THIS book aims at the following objects :—

A survey of Home Production, Industries, Occupation, etc., in the United Kingdom, for the purpose of throwing light upon our general industrial condition, as apart from our Foreign Commerce.

It is intended to supply a full statement of the Course of Trade, upon a sound method, in all the more important parts of British and international commerce.

It endeavours to prove the superiority, as a guide to action, of investigation of economic fact over the acceptance of economic theory, so far as relates to those parts of political economy that are dealt with here.

It seeks to establish the necessity of investigating trade tendencies, of making the course of trade show itself, in place of using crude, isolated statistics, which are of no value unless they are so massed and condensed that soundly based conclusions may be deduced from them.

The period here usually observed covers the thirty-one years 1880-1910, and the method of massing and condensing the crude data is to show the yearly average during each decade throughout this period. Thus :—

Decade.	
1880—1889	} Giving twenty-two consecutive decades during the period 1880-1910.
1881—1890	
and so on, to	
1900—1909	
1901—1910	

As regards this method, it may be stated that in order to obtain useful results from an investigation of this kind it is necessary to consider the cycle of trade, because of the large

and violent yearly fluctuations which constantly occur. And actual experience teaches that a decade is the best and most convenient period to use as representing a cycle of trade, because yearly fluctuations are not eliminated by the use of a cycle shorter than ten years.

But it does not suffice to show merely two or three decades—such as 1880-1889, 1890-1899, 1900-1909—for the reason that the grouping of years which make up each decade materially affects the yearly average for each decade. And thus any arbitrary selection of decades incurs the risk of possible bias in selection or of unintentional misrepresentation of the real course of trade. Therefore, it is necessary to show the results for every possible decade of any period that is under observation, such as this period 1880-1910.

By this full method there is no possibility of any biased selection of years, and this mode of investigation has the advantage of enabling students to see the progress or regress during the more recent of any two “pairs” of decades.

For example, comparison may be made

Between 1880—1889 and 1890—1899,
Between 1881—1890 and 1891—1900,
and so on.

Or, working back, we may observe the rise or fall during the most recent decade, 1901-1910, as compared with the decade 1891-1900. And similarly for many other decades—such as the first and the last of those covered by the period 1880-1910. Any decade may be compared with any other decade. There is here no selection of any years or periods which may chance to support this or that opinion.

A further advantage of this method is that by merely multiplying any of the yearly averages by 10, we at once obtain the actual total for any complete decade.

For instance, Table 105 shows that the Special Imports* of manufactured goods into the United Kingdom

* Special Imports mean Imports for consumption in the United Kingdom.

during 1901-1910 (the last decade) and during 1880-1889 (the first decade) were :—

YEARLY AVERAGE DURING EACH DECADE.

1880—1889	.	.	.	Million £.
				65·4
1901—1910	.	.	.	120·9
Yearly Rise during 1901—1910	.	.	.	<u>55·5</u>

If we now multiply the above averages by 10, we obtain, not an average, but the Actual Totals for each decade, thus :—

ACTUAL TOTAL FOR EACH DECADE.

1880—1889	.	.	.	Million £
				654
1901—1910	.	.	.	1209
Actual Rise during 1901—1910	.	.	.	<u>555</u>

Further, when we put in one column of a table all these yearly averages during each decade of the whole period 1880-1910, for any one piece of trade, we then obtain a broad view of the tendency, of the full course, of trade in that particular section of commerce during 1880-1910. All the many eye-confusing yearly fluctuations are included and merged in the average for each cycle of trade, and the condensed result stands out clearly.

This method is not, of course, a refined actuarial graduation of a series of crude facts, such as is illustrated in Appendix A. But the latter technical method is not practicable for adoption in a book that is intended for general use. The method of this book possesses the advantages already stated ; it entirely prevents any biassed selection of individual years ; it is easily understood, and the accuracy of its application to the crude data can readily be tested by any student having access to the official returns upon which the tables of this book are exclusively based.

Many instances will be found in this book where the results of investigating economic fact are in direct conflict with

the dogma of orthodox economic theory. For example, the theory that every import coming to these islands automatically causes a British-Labour-Employing export to leave our shores, is wholly contradicted by fact. Similarly, the dogma, "Look after your imports, and your exports will look after themselves," will be found to rest upon nothing more substantial than economic theory. It is erroneously based upon Adam Smith's theory of the international Division of Labour.

Again, the belief that our present trade policy enables us to hold our position as a seller in Foreign and in British Colonial Markets, will be contrasted with the results of carefully examined fact. The dogma that asserts we may successfully fight foreign taxation of our goods by admitting foreign goods to the United Kingdom free of import duty, is certainly not supported by investigation.

In these and in many other instances where economic fact is in direct opposition against economic theory, readers are of course wholly free to take their choice between the two teachings: the teaching of theory, and the teaching of fact.

Also, there are many popular opinions widely held and confidently asserted by politicians and other persons, that, like economic theory, are wholly contradicted by the test of fact. Take for instance the widespread belief that a progressive foreign commerce necessarily denotes general industrial and productive prosperity. Perhaps there is no popular economic belief more common than this one. But Chapter I. not only deprives this belief of any validity, but it also shows there is a solid base for rational doubt as to the sound condition of our Home Production and Industries.

The conclusions reached in this book are laid before readers not as any one man's opinions, but as conclusions which are difficult to separate from the carefully surveyed facts upon which they rest.

Let it here be confessed that the author is wholly deficient in the quality that enables many more fortunate persons to dispense with laborious investigation of economic fact, and

to accept as incontrovertible truth the *ex cathedrâ* pronouncements of orthodox economic theory. In the examination of questions of practical economics such as are surveyed in this book, the only light desired or used by the author is that given by fact and by reason. In such work, the author confesses that the *dicta* of economic theory are to him of no more value than a spent match, although to other persons these *dicta* may be an electric torch. And thus it has followed inevitably that orthodox economic authority has been wholly disregarded in favour of conclusions based solely upon the results disclosed by the investigation of economic fact which this book contains.

It may, however, be pointed out that economic conditions are fluid and variable, not fixed and constant. And if for no other reason, that consideration alone suggests the prudence of being guided in trade policy by periodic investigation of trade conditions, rather than by the fixed and inimitable theories of orthodox political economy.

Readers of this book will find that the field of investigation includes many features of Home Production and of international commerce that are either wholly ignored in the official returns, or inadequately set out, but upon which valuable knowledge is to be gained by means of the official records of this and other countries, when they are carefully examined.

Among these pieces of investigation may be mentioned the international comparison of occupations, the occupation-providing power of the leading industries of this country, the investigation of the railway goods traffic in the United Kingdom, our wheat consumption in its various aspects, the price of bread, the analysis of pauperism, the evidence of strikes upon our industrial condition, the futility of accepting records of foreign commerce as a guide to home productive prosperity or non-prosperity, etc.

And as regards our oversea trade and international commerce, there may be mentioned the testing of the position

of the United Kingdom as a seller in the markets of the world, side by side with the position of other sellers in the same markets. Another investigation of considerable utility is the progress or regress of each of our principal articles of export, tested as regards its power to pay, in part, for the imports consumed in the United Kingdom. Obviously, a matter that should not be omitted.

Also, there will be found an examination of the quality of our imports and of our exports. That is to say, their quality as regards the employment of British Labour, or the employment of Foreign Labour—surely a necessary piece of investigation, and one that throws a direct light upon trade policy, and upon our home industries. Another necessary investigation is the international comparison of foreign commerce, for the purpose of ascertaining the progress of foreign commerce in various countries.

Throughout the book, and during the work which went to make it, there has been no regard given to established methods, either economic or statistic. The sole purpose has been to gain definite knowledge, upon a broad base of fact and by a sound method of ascertaining trade tendencies, in many directions of Home Production and Industries and of international commerce, by the use of much available material which is commonly wasted, or misused in the form of mere statistics. Statistics, as they are commonly used and misused, have no more likeness to an economic investigation of trade tendencies than a pile of loose bricks has to a carefully built house.

Although of late years the trade questions which are examined in this book have unfortunately been dragged into the arena of party politics, this mishap does in no way deprive these questions of their intrinsic right to be considered solely upon the higher level of a national and imperial problem of great importance. And since the year 1900, when the author first devoted himself to the study of some sections of political economy by the method of investigating fact, as opposed to

the orthodox method of formulating theories not tested by fact, he has invariably treated this problem upon its rightful level, refusing to admit that this subject has any just connection with party politics. And the opinions quoted on pp. xxi-xxiv, coming from supporters of all parties, encourage the author to continue upon the course he has marked out.

Finally, the author will be grateful for the notification of any error of fact which may be discovered in this book. Much care has been given to the computation of the tables, and a comprehensive system of cross-checking has been used. It may be mentioned that since October 1905, when the first edition of the book was published, no error has been reported to the author. Each chapter states the sources where the crude data are to be found upon which the tables have been computed, and this information will facilitate the detection of any error which may have eluded the author's care.

JOHN HOLT SCHOOLING.

FOTHERINGHAY HOUSE,
TWICKENHAM, LONDON, *May* 1911.

THE BRITISH TRADE BOOK

CHAPTER I

HOME PRODUCTION, ETC.

BEFORE showing the course of our Foreign Commerce as distinct from our Home Production, it is desirable to survey some of the leading features relating to the latter.

There is a prevalent tendency to regard the records of our Foreign Commerce as being an adequate indication of industrial prosperity or non-prosperity, such indication being given by a rise or fall in our oversea trade, notably by a rise or fall in our exports of manufactured goods. The need to emphasise the vital distinction between our Home Production and our Foreign Commerce is not fully recognised. A few years ago, during a conversation with a politician, this politician stated that he had only lately realised that this country had any trade other than its Foreign Commerce. On pointing out the necessity to consider other matters, I was met with the rejoinder that we export a much greater value of manufactured goods than is exported by the United States. This was regarded as complete evidence of our industrial supremacy over the United States. Three months later this gentleman became President of our Board of Trade. And there are doubtless many other persons who still attach an undue importance to our oversea trade, and who do regard the latter as an adequate gauge of our general prosperity in these islands. They seem to overlook the trade between England and Ireland, between Ireland and Scotland, between

London and Manchester, between Belfast and Sheffield, between Glasgow and Liverpool, between Birmingham and Leeds, between Cornwall and Yorkshire, etc., etc. Although this home trade, relating as it does largely to home production, is a much more important factor in our industrial progress or regress than is our foreign commerce.

As a contrast to the opinion of the Cabinet Minister just quoted, we have the following pronouncements made by Mr Asquith.

Speaking at Cinderford on 8th October 1903, Mr Asquith said: "The Board of Trade have computed that as the wages paid in the export trade are something like 130 million £, and as the total wage-bill of the country is between 700 and 750 million £, the export trade does not employ more than one-fifth or one-sixth of the whole labour of the country."

And at Cardiff on 19th December 1904, Mr Asquith spoke these words:—

"I have always said, and I repeat it, that we cannot judge the state of British trade by looking at oversea trade."

We have to bear in mind that our industrial activity in the United Kingdom works for the sale of its products in two markets. The Home Market and the Oversea Market. The former being approximately five times as valuable in wage-providing capacity as is the Oversea Market. When we recognise this fact, it becomes easy to see that a rise or a fall in our oversea trade has no necessary connection with progress or regress in our home industries. And yet early in the year 1911, when the foreign trade returns for 1910 were published, the confident assertion was made that these returns cannot possibly show anything else than the general industrial prosperity of this country.

Our Foreign Commerce may progress simultaneously with progress in our home trade. Or the latter may regress while our oversea trade advances. We may, in fact, experience the following combinations, in which the dominant factor

producing the Net Result of Industrial Prosperity or Non-Prosperity is, and must be, our home trade, not our oversea trade.

Here are the combinations :—

		Net Result.
I. Home Market .	. Progress	} Industrial Prosperity.
Oversea Market	. Progress	
II. Home Market .	. Progress	} Industrial Prosperity.
Oversea Market	. Regress	
III. Home Market .	. Regress	} Industrial Non-Prosperity.
Oversea Market	. Progress	
IV. Home Market .	. Regress	} Industrial Non-Prosperity.
Oversea Market	. Regress	

Thus we see that our general prosperity depends upon our home trade and production much more than upon our oversea commerce. The latter is indeed of great actual importance to us. Especially so, because there is reason to think that in recent years our export trade has been to some extent a substitute for our home trade, in place of an addition to the latter. Sales at home having become more difficult, owing to foreign competition in our home market, our sellers of merchandise have increasingly sought oversea markets for their goods. A volume of oversea trade that in the year 1910 attained the vast amount of over 1100 million £ of imports and exports, without reckoning our re-exports, is worthy of most careful examination in many directions. And it will be so examined in later chapters of this book. But our foreign commerce is relatively less important than our home trade and production.

It is possible, as will be seen, to examine our foreign commerce in many directions and sections not commonly surveyed. And the results of such examination justify the labour expended.

It is not possible to examine our home trade and production in nearly so much detail as is available in connection with our oversea trade. The data have not been recorded. In years to come, it is possible that the volumes relating to the Census of Production in the United

Kingdom will accumulate data to an extent sufficient to enable our home trade to be surveyed somewhat on the lines of our foreign commerce. A long period of observation is the first essential in investigations of this kind. and at present the published volumes of the Census of Production are, and must be, of no use. Their value will come when the comparative data for future years have been recorded.

Thus in this chapter the survey must be limited to various important groups of data that severally, and as a whole, throw considerable light upon this matter of home production, consumption, industrial activity, etc. Moreover, additional insight may be gained in these directions when it is possible to make international comparisons. We have to bear in mind that during the period now surveyed—usually 1880-1910—the world has largely increased its population and its demand for merchandise. We may prudently compare our progress or our regress with advance or decline of important trade rivals, such as Germany and the United States.

First, there is the growth of population to be considered. Population is a home product of primary importance upon which mainly depends a country's power to sustain and to defend itself.

Table 1 shows the populations of the United Kingdom, Germany, the United States, during 1880-1910. Each of the three populations has steadily advanced. The increases were :—

	Millions.
United Kingdom	7·6
Germany	14·1
United States	28·2

Thus the net result of the complex series of social and industrial conditions in these countries is that our two rivals have been able to increase their populations to a much greater extent than in the United Kingdom. These three populations and the many millions of new-comers have been fed, clothed, and housed, upon a level of relative comfort

or discomfort that so far as is generally known does not greatly vary in any one of the three countries.

TABLE 1—POPULATION. AN INTERNATIONAL COMPARISON: THE UNITED KINGDOM, GERMANY, THE UNITED STATES, 1880-1910. *Yearly Averages during each Decade.*

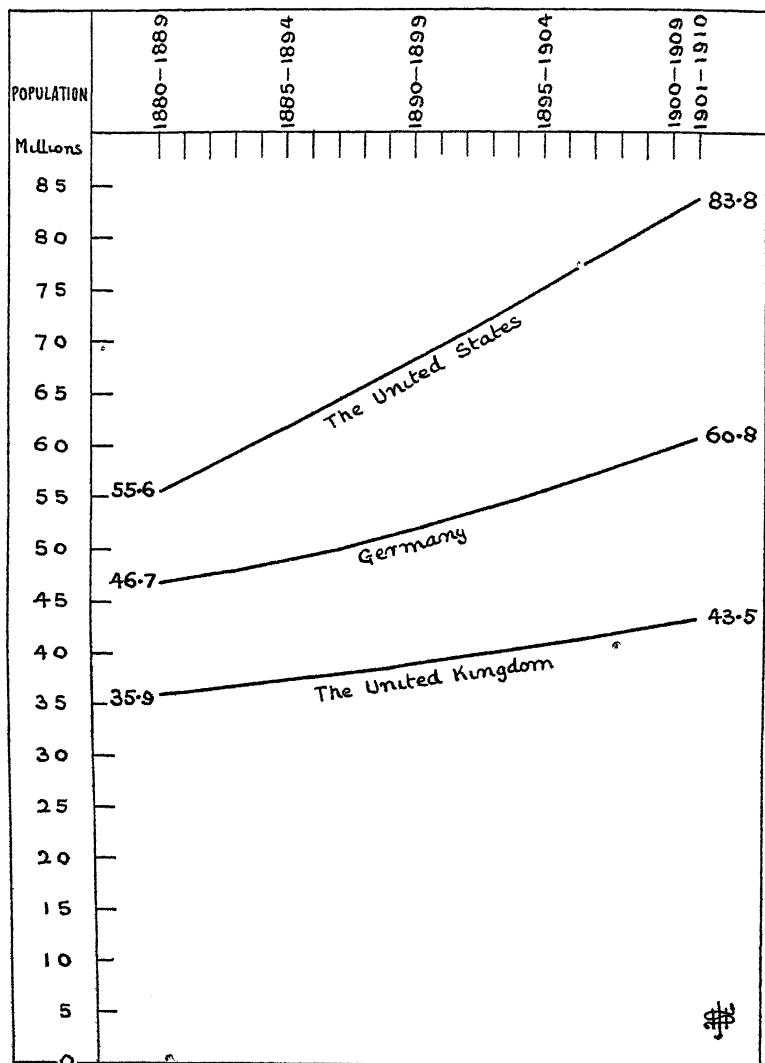
Decade	Population.		
	United Kingdom.	Germany.	United States.
	Millions.	Millions	Millions
1880—1889	35·9	46·7	55·6
1881—1890	36·2	47·1	56·8
1882—1891	36·5	47·5	58·1
1883—1892	36·8	48·0	59·4
1884—1893	37·1	48·5	60·6
1885—1894	37·4	49·0	61·9
1886—1895	37·7	49·5	63·2
1887—1896	38·0	50·1	64·5
1888—1897	38·4	50·7	65·7
1889—1898	38·7	51·3	67·0
1890—1899	39·1	51·9	68·3
1891—1900	39·4	52·6	69·7
1892—1901	39·8	53·3	71·1
1893—1902	40·2	54·1	72·5
1894—1903	40·6	54·9	73·9
1895—1904	41·0	55·7	75·3
1896—1905	41·4	56·5	76·7
1897—1906	41·8	57·3	78·1
1898—1907	42·2	58·2	79·5
1899—1908	42·6	59·1	81·0
1900—1909	43·0	59·9	82·4
1901—1910	43·5	60·8	83·8
Increase .	7·6	14·1	28·2

Based upon Cd. 4954, page 11; Cd. 5296, page 361.

As is shown in Table 2, this greater increase of population in Germany and in the United States, as compared with our increase, is not merely a greater actual increase, it is a much larger relative increase.

During the last decade, we possessed 121 people for every 100 we possessed during the first decade; an increase of 21 per cent.

DIAGRAM I—SEE TABLE 1 THE POPULATION OF THE UNITED STATES, GERMANY, THE UNITED KINGDOM, 1880-1910 *Yearly Averages during each Decade*



When looking at the rise in any curve, it is necessary to keep the base-line 0 in sight; for the distance between the base-line and the curve represents the facts.

The population of the United States increased by 28.2 millions, or by nearly 51 per cent.
 " " Germany " 14.1 " " over 30 "
 " " United Kingdom " 7.6 " " over 21 "
 Population is a primary item of Home Production, upon which largely depends a country's power of maintenance and of defence.

Germany's increase was 30 per cent. The United States' increase was over 50 per cent.

TABLE 2.—RATE OF PROGRESS OF POPULATION. THE UNITED KINGDOM, GERMANY, THE UNITED STATES, 1880-1910 *Yearly Averages during each Decade*

Decade.	Rate of Progress of Population, beginning at 100.		
	United Kingdom.	Germany.	United States.
	Per cent	Per cent	Per cent
1880—1889	100 0	100 0	100·0
1881—1890	100 8	100·9	102·1
1882—1891	101 6	101 7	104·5
1883—1892	102·4	102·8	106·9
1884—1893	103 3	103·9	109·0
1885—1894	104·2	104·9	111·4
1886—1895	105·1	106·0	113·7
1887—1896	106·0	107·3	116 0
1888—1897	106 9	108·6	118·1
1889—1898	107·9	109·8	120·5
1890—1899	108·9	111 1	122·8
1891—1900	109·9	112·7	125·3
1892—1901	110·9	114 1	127·8
1893—1902	112·0	115·8	130·4
1894—1903	113·1	117·6	132·9
1895—1904	114·2	119·3	135·4
1896—1905	115·3	121 0	137·9
1897—1906	116·4	122·8	140·5
1898—1907	117·6	124·7	143·0
1899—1908	118·8	126·6	145·6
1900—1909	120·0	128·2	148·2
1901—1910	121·2	130 2	150·7

Based upon Table 1.

The above average yearly rate of progress of population was :—

United Kingdom	.	.	over 1	per cent.
Germany	.	.	nearly $1\frac{1}{2}$	„
United States	.	.	„ 2 $\frac{1}{2}$	„

The yearly rate of growth, on the principle of compound interest, as in the census calculations, was :—

United Kingdom	.	.	under 1	per cent.
Germany	.	.	over $1\frac{1}{4}$	„
United States	.	.	nearly 2	„

While it is not permissible to attribute to any one cause this much larger actual and relative increase in the populations of Germany and of the United States, as compared with the population of the United Kingdom, it is permissible

to draw the conclusion that in Germany and in the United States no one cause, nor any combination of causes, has been operative to prevent their largely increased populations being fed, clothed, and housed. In view of the extraordinary statements sometimes made by politicians of Cabinet rank to the effect that these nations working by a policy of Protection are in a condition necessitating the eating of "offal," and are generally in a distressed condition, etc., it is perhaps as well duly to note the net results disclosed in Tables 1 and 2, as regards the leading home product.

In this examination of our home industrial conditions and production, the matter of occupation becomes of much importance. For instance, it is useful to know how we compare with other nations as regards our capacity to feed ourselves. For as with a man, so with a nation, the ability to be self-feeding takes precedence over the ability to work. Food must precede work.

In Table 3 we have a number of countries compared in the matter of their principal occupations expressed proportionately to each population.

A salient fact that at once discloses itself is that in all these countries, including the United Kingdom, Agriculture ranks as the leading industry. This result is to be expected, because in all human communities there is a common recognition of the vital necessity and of the supreme importance for a community to be able to feed itself as a preliminary to doing other things, such as begetting children, working, fighting, etc.

Look at Table 3. In all the foreign countries the proportion of their populations occupied in Agriculture is vastly in excess of the proportion so occupied in the United Kingdom. Our proportion is 56 persons per 1000 of our population. The foreign proportions range from a maximum of 314 per 1000 in Hungary, to a minimum of 101 per 1000 in Belgium. Belgium is a country much more densely populated than the United Kingdom; it is a formidable

competitor in our Home Market and elsewhere with our Home Producers; and yet despite these facts, Belgium is able to

TABLE 3.—AN INTERNATIONAL COMPARISON OF OCCUPATIONS NUMBER ENGAGED IN THE PRINCIPAL GROUPS OF OCCUPATION PER 1000 OF THE TOTAL POPULATION OF EACH COUNTRY.

Groups of Occupations.	Number occupied in each Group of Occupations per 1000 of the Total Population of each Country.								
	Seven Foreign Countries.								
	Austria.	France	Italy.	Belgium.	Germany.	Hungary.	United States.	Mean of the 7 Foreign Countries.	The United Kingdom.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Agricultural . . .	313	212	296	101	160	314	137	219	56
Commercial . . .	17	34	17	54	29	11	38	28	50
Dress . . .	20	41	33	36	24	13	16	26	32
Building . . .	15	22	25	34	32	7	17	23	30
Metals . . .	14	22	11	27	32	10	14	18	35
Textiles . . .	17	23	24	32	17	2	8	18	30
Conveyance . . .	9	15	16	9	13	7	23	13	36
Mines . . .	8	8	4	30	15	3	8	11	22
Above 8 Groups . .	413	377	426	323	322	367	261	356	291
All other Occupations	102	136	75	138	133	81	123	112	149
Total Occupied . .	515	513	501	461	455	448	384	468	440
Total Unoccupied .	485	487	499	539	545	552	616	532	560
Total Population .	1000	1000	1000	1000	1000	1000	1000	1000	1000

Based upon Cd. 5415, pages xxii and 4; Cd. 2174.

The above Groups of Occupations are arranged in the order of their importance as based upon the mean for the seven foreign countries in column (h).

The Seven Foreign Countries are arranged in the order of the "Total Occupied" persons in each population.

The "Unoccupied" group includes, in addition to persons retired from work, all young persons not in occupation, scholars, students, married women, and others not specifically occupied, etc.

Compare columns (h) and (i). Note the small proportion of the United Kingdom's population engaged in Agriculture, the high proportion engaged in Commerce, in Conveyance, in Mines, etc.

employ in agriculture nearly twice as many of its population as we employ.

Look at column (*h*) of Table 3. Here we have the mean result for all the foreign countries side by side with the corresponding result in the United Kingdom, column (*i*).

On the average, these foreign countries employ 219 per 1000 of their population in Agriculture, as compared with our 56 per 1000. Bearing in mind the vast importance to any nation of being largely or mainly self-feeding, either in peace-time or in war-time, we have to realise that these results point to a condition of marked inferiority of the United Kingdom in what is probably the most vital condition of national welfare and safety, dependent upon home production.

Now look at the "Commercial" group in Table 3. Here we have a great superiority over foreign nations. The only country that exceeds our proportion of 50 per 1000 is Belgium with her 54 per 1000. The average for foreign nations is only 28 per 1000. Even Germany and the United States fall far short of us as regards the proportion of their populations occupied in commercial pursuits.

The word commercial as here used does not mean productive or manufacturing occupations. It includes import and export merchants, agents, accountants, salesmen, buyers, commercial travellers, clerks, dealers, insurance, etc. And in preparing the data upon which Table 3 is based, our officials have been careful to make the classification for each foreign country as nearly identical as possible with the classification used in our own census returns. Thus it is not in productivity that we so exceed foreign nations. This commercial superiority possessed by us is connected more with money values, more with buying and selling British or foreign merchandise, than with the production of merchandise. Bear in mind, that one main source of national welfare is the production of merchandise, as contrasted with the making of money-profit upon the buying or selling of merchandise. The latter process may be money-making. The process of producing merchandise is a wages-providing process, and is not necessarily so productive of money-profit as is Commercial occupation here defined.

When we come to compare our foreign commerce with the foreign commerce of other nations, it will be important to bear in mind the facts shown in Table 3. Our population is much less engaged in agriculture and much more engaged in commerce than are the populations of other nations. Thus, for this reason alone, we ought fully to maintain our supremacy in foreign commerce. Later parts of this book will show whether we have done this.

The occupation "Metals" is another group where we are in advance of foreign nations, although Germany and Belgium run us close. This occupation includes metals, machines, implements, ships, vehicles, cycles, motors, coaches, carriages, dealers in metals, etc. In some of these items, notably in machinery, as will be seen later on, we have been greatly progressing. And it is far more satisfactory from the point of view of national welfare to see this superiority as regards the "Metals" occupation, than to see our superiority as regards the Commercial occupation. For the Metals occupation is largely productive, yielding work and wages to our industrial workers.

In the Textiles group we are ahead of foreign nations as regards the proportion of our population so occupied. This group includes cotton, flax, linen, wool, worsted, silk, hosiery, lace, hemp, jute, drapers, linen-drapers, mercers, dealers, etc. The only foreign country that exceeds our proportion of 30 per 1000 is Belgium, with 32 per 1000.

A notable result in Table 3 is our great predominance in the occupation Conveyance. This includes railway men of all sorts, roadmen, coachmen, grooms (not domestic), cabmen, carmen, carriers, cartmen, sailors, bargemen, dock and harbour men, postmen, messengers, etc.

When we consider our enormous foreign commerce, apart from our home trade, it is obvious that a large part of our population must be engaged in conveying goods and persons from one place to another. And it is not wholly an indication of national prosperity that so large a proportion as 36 per

1000 of our population should be engaged merely in conveying things and persons, while in foreign nations the average proportion is only 13 per 1000. Because this fact leaves available for productive work an appreciably smaller proportion of our population than is the case in foreign countries.

Moreover, and as will be shown later on, our predominance in the Conveyance occupation as regards the railway section of conveyance, is more due to the vast expansion of our coal-mining, than to an expansion of the conveyance by railway of general merchandise other than coal. This is an important distinction.

Table 3 shows our great predominance as regards the proportion of our population engaged in mining. Our proportion is 22 per 1000. The average for foreign countries is 11 per 1000, and Belgium is the only country that exceeds us in this respect. We possess many proofs other than that in Table 3 of the great progress of our mining industry, which relates mainly to coal-mining. Without doubt, coal-mining is a large provider of wages, and in this country it has greatly progressed. But as coal-mining is the digging out of a part of Earth's skin which happens to be rich in coal in these islands, and as this coal is national capital that is diminishing and which cannot be replaced, it follows that this great predominance in coal-mining held by us as regards the proportion of our population engaged in coal-mining is not wholly satisfactory. It has accompanied, for instance, a depletion of rural population; and also, coal-mining can not rank economically with higher forms of occupation, such as agriculture and manufacturing industries.

The net results to be gleaned from Table 3 seem to be that we are largely deficient in our self-feeding capacity as compared with foreign nations. That commercially, not in productive processes, our population is much more largely engaged than are the populations of foreign nations. This fact points to a predominance of relative money-profit gained by us, and it tends to indicate our inferiority as regards pro-

duction and as regards the wage-providing capacity of our total productive processes; while our great predominance, relatively to our population, in the occupation of Conveyance and of Mining is saliently shown in this Table 3.

This matter of Occupation is of great importance in any attempt to survey our economic and industrial conditions. It happens that by the methods of procedure adopted by our State Departments, much valuable information is collected at great cost, and is not presented to the public in a form that admits of easy comprehension. For example, the data upon which Table 4 has been based are shown in the Blue Book quoted at the foot of the table merely in a series of large numbers without arrangement and without any reference to the growth of our population during 1851-1901.

When we arrange these data, when we compute their value relatively to our population at each census date, we obtain, as Table 4 shows, an exceedingly valuable series of comparisons which throws much light upon the progress or the regress of our occupations afforded by our principal groups of industries, covering the period 1851-1901.

Table 4 will repay careful study by any student of our industrial conditions.

If a person who had devoted even casual attention to industrial conditions in this country were asked to name off-hand some industries in which occupation had increased relatively to our population, he would probably name Iron and Steel, Machinery, Building, Coal-mining, Printing and Bookbinding. And if he were also asked to name off-hand some industries in which occupation had decreased relatively to our population, he would probably name Silk and Agriculture.

In Table 4 we possess definite information upon this matter, and much of this information confirms the general impression of a casual observer. Also, it enlightens us as regards occupations upon which hitherto no general impression has existed.

TABLE 4—ENGLAND AND WALES: SHOWING THE TOTAL NUMBER OF PERSONS OCCUPIED IN THE PRINCIPAL GROUPS OF INDUSTRIES AT THE SIX CENSUS DATES, 1851-1901 PER 10,000 OF THE POPULATION OF ENGLAND AND WALES.

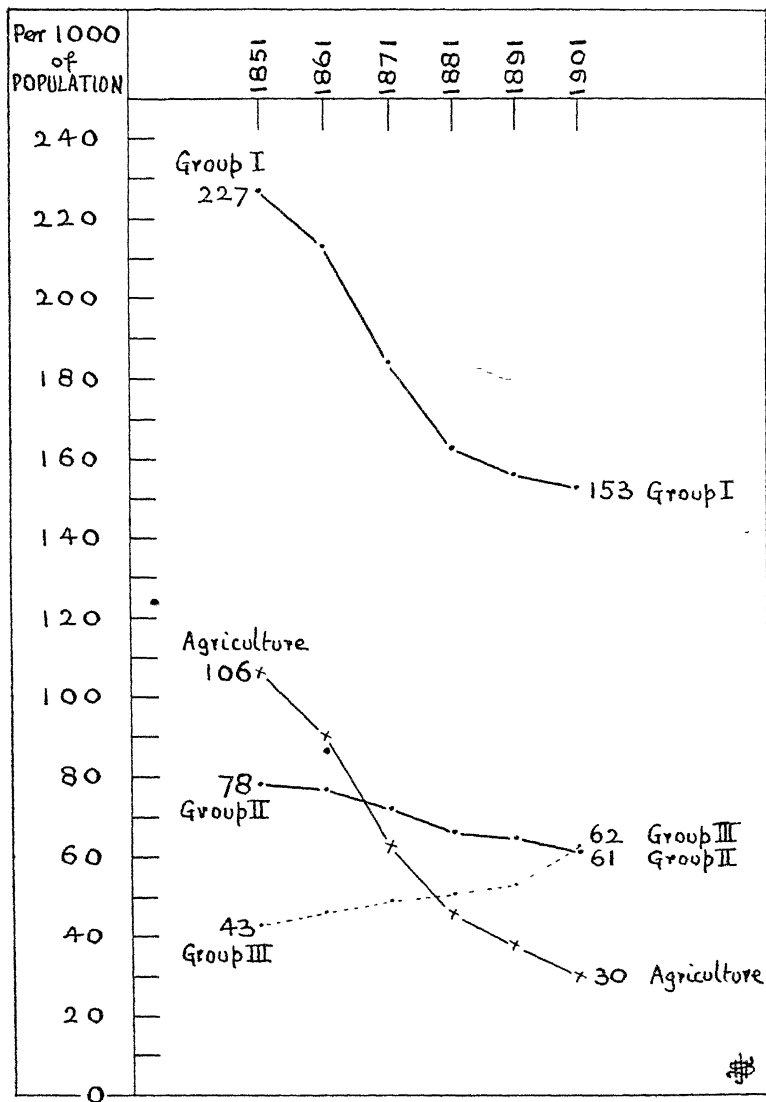
Industry.	Number of Persons Occupied in each Industry per 10,000 of the Population of England and Wales						Result.
	In 1851	In 1861.	In 1871.	In 1881.	In 1891	In 1901.	
<i>Manufacturing Industries—</i>							
Cotton	232	245	224	213	209	179	A Fall
Woollen and Worsted	143	115	109	92	89	73	A Fall
Boot and Shoe	136	127	99	86	86	77	A Fall
Silk	73	58	36	25	18	12	A Fall
Iron and Steel	53	65	84	78	70	66	A Rise
Machinery and Ships	45	61	76	83	101	121 [*]	A Rise
Lace	34	27	22	17	12	11	A Fall
Furniture	27	32	33	32	35	37	A Rise
Earthenware and Glass	26	27	29	26	28	29	A Rise
Linen	15	11	8	5	3	2	A Fall
The above 10 Industries	784	768	720	657	651	607	A Fall
<i>Non-Manufacturing Industries—</i>							
Agriculture	1062	899	627	462	379	304	A Fall
Building	222	235	257	264	242	291	A Rise
Coal-mining	108	135	139	148	179	199	A Rise
Tailoring	78	71	66	62	72	80	A Rise
Printing and Bookbinding	18	23	28	34	42	46	A Rise
The above 5 Industries	1488	1363	1117	970	914	920	A Fall
The above 15 Industries	2272	2131	1837	1627	1565	1527	A Fall

Based upon Cd. 1761, page 362; Cd. 5296, page 361.

* This figure for Machinery in 1901 has been estimated upon the assumption that Machinery-Occupation increased during 1891-1901 at the same rate of growth as during 1881-1891. There are indications elsewhere that this estimate is likely to be too high rather than too low.

Note.—The Number of Persons Occupied in each Industry at each Census Date does not necessarily imply that those persons were in employment at those dates. For example, a Boot and Shoe workman in actual employment in 1901, and a Boot and Shoe workman out of employment in 1901, are both recorded as Occupied in the Boot and Shoe industry. And similarly with the other industries and census dates. See Table 255, Appendix E.

DIAGRAM II.—SEE TABLE 4 ENGLAND AND WALES: SHOWING THE NUMBER OF PERSONS OCCUPIED IN THE PRINCIPAL GROUPS OF INDUSTRIES AT THE SIX CENSUS DATES, 1851-1901 PER 1000 OF THE POPULATION OF ENGLAND AND WALES.



Keep the base-line 0 in sight.

Group I.—The 15 Principal Industries in Table 4.

„ II.—The 10 Manufacturing Industries in Table 4.

„ III.—The 4 Non-Manufacturing Industries in Table 4: Building, Coal-mining, Tailoring, Printing and Bookbinding

„ I.—Group II. plus Group III. plus Agriculture.

Example.—In Group I., 227 persons per 1000 of the population were occupied in the year 1851. In the year 1901, only 153 persons per 1000 of the population were occupied in Group I.

Taking first the group of the ten leading manufacturing industries :—

In Cotton, there has been a nearly constant fall during 1851-1901 in the power of cotton as an occupation-provider relatively to our population.

In the Woollen and Worsted industry, the fall has been continuous during 1851-1901.

In the Boot and Shoe industry, the fall in occupation has been continuous, with the exception that in 1881 and in 1891 there was no change.

The fall in the Silk industry has been continuous.

The four industries just named were in the year 1851 our four leading manufacturing industries. They have all fallen off largely in their power to provide occupation for our people.

Now, in Table 4, we come to two important industries that have risen—Iron and Steel, and Machinery.

As regards Iron and Steel, its maximum power as an occupation-provider was reached in the year 1871. Since then the fall has been continuous.

In Machinery there has been a large and continuous rise in its power to provide occupation throughout 1851-1901. This fact is amply evidenced by other proofs contained in this book.

Lace has largely failed as an occupation-provider.

Furniture has advanced. A large number of aliens, who have increasingly come to this country, are makers of furniture.

Earthenware and Glass has fluctuated slightly, with a rising tendency.

Linen has largely fallen in its power to provide occupation.

Taking these ten leading Manufacturing Industries as one whole, Table 4 shows quite clearly that during 1851-1901 there has been a large and continuous fall in the power of these ten industries to provide occupation for our population. The fall has been from 784 persons occupied in 1851

to 607 persons occupied in 1901, per 10,000 of our population.

We come now to the Non-Manufacturing group of industries.

Agriculture, which throughout 1851-1901 has been the leading industry of this country, has vastly fallen—from 1062 to 304 persons per 10,000 of our population. This is a most serious and injurious result, regarded from the point of view of national welfare as distinct from the point of view of money-profit gained by importing, selling, and distributing the oversea agricultural products that have so largely taken the place of our home-produced food. This result has been caused by an honest blunder in national trade policy. The blunder of what we call Free Trade, but which is in fact nothing more nor less than a system of State-aided imports. See Chapter XV.

This unfortunate mistake has vitally weakened this country in its most important industry, Agriculture.

All the four other Non-Manufacturing industries in Table 4 have advanced in their power as occupation-providers—Building, Coal-mining, Tailoring, Printing and Bookbinding.

But the net result for this group of five Non-Manufacturing industries is a large and continuous fall—from 1488 to 920 per 10,000 of our population. If we omit Agriculture from this group, and consider only Building, Coal-mining, Tailoring, Printing and Bookbinding, then we have a net rise from 426 to 616 persons occupied per 10,000 of our population.

Taking all these fifteen leading industries as one whole—Table 4—their power to provide occupation per 10,000 of our population fell constantly and largely from 2272 persons in 1851 to 1527 persons in 1901.

Surely these results in Table 4 should not be lightly regarded, for they prove conclusively that the fifteen leading groups of industries in this country have enormously failed during 1851-1901 in their power to provide

occupation for the people. Simultaneously there has been a vast development of commercial activity, which is quite distinct from productive activity. Banking, finance, dealers, import and export merchants, almost every form of finance and commerce (as distinct from production) have increased, and have brought a large money-profit to commercial men and to middlemen. But is this great advance in the merely commercial sections of our population an adequate compensation for the decline in the productive and industrial sections of our population? If we hold the opinion that the sustenance of its power of production is of more value to a nation than its power of obtaining money-profit by commercial and financial operations, then we must reply "No" to the above question. But if we hold that the gaining of money-profit in commercial and financial operations, is of more value to a nation than the maintenance of its power of production, than the maintenance of its power to provide work and wages for its industrial population, then we must say that the great decline of our leading industries to provide occupation during 1851-1901, shown in Table 4, is a matter of no moment, and can be passed without further notice.

The question is a vital one, and the answer to it must depend wholly upon one's point of view. The industrial population would probably say No to the question put; the rich banker, the import or export agent, the middleman, would probably reply Yes.

The results shown in Table 4 do not lack wholly independent corroboration. This decay of occupation afforded by our leading industries is in part a cause of the following words spoken by a late Prime Minister, Sir Henry Campbell-Bannerman, at Perth, on 6th June 1903 :—

"In this country we know, thanks to the patient and accurate scientific investigations of Mr Rowntree and Mr Charles Booth, that there is about 30 per cent. of our population underfed, on the verge of hunger."

Again, on 8th October 1903, at Cinderford, Mr Asquith, another Prime Minister, said :—

“That there are disquieting features in our industrial, as in our social condition, no honest observer, certainly no member of the party of progress, will be found to deny. We have seen industries in which we ought to have maintained our supremacy falling behind, and in some cases entirely taken away from us by our competitors.”

Although these Prime Ministers at the time of speaking were not aware of the facts shown in Table 4, which are now for the first time computed, their opinions based upon wholly independent evidence confirm the deduction that may properly be drawn from Table 4—namely, that during the last half-century the leading industries of this country have materially been losing their power to provide work and wages for our population.

Then we have evidence coming from a wholly different source, the officials of Trade Unions.

At Nottingham, on 10th September 1908, the following official resolution of the Trade Union Congress was passed unanimously :—

“That the Unemployed Act has utterly failed to touch even the fringe of the question, and this Congress, recognising that Unemployment is now permanent in busy as in slack seasons, in summer and in winter, and is common to all trades and industries, declares that the time has come when the Government must make provision for the purpose of finding work of public utility for all sections of unemployed men and women.”

It is interesting to note that this resolution followed the year 1907, a year of extraordinarily high foreign commerce, when our exports were only 4 million £ less than the vast total of 430 million £ for the year 1910.

These Trade Union officials are probably more intimately aware of the extent of unemployment than any other body of men. Their proposed remedy for unemployment is of

course no remedy, but merely a palliative of symptoms of a grave economic disease. Our leading industries have been losing their power to provide occupation, the Trade Union officials become aware of this fact, and the Government is called upon to assume the functions of the leading industries of this country.

One knows, of course, that it is useless to attempt to overcome glamour by reason and by fact. The glamour of our great national blunder, called Free Trade, is still upon the eyes of many good folk, who lament the existence of injurious industrial conditions largely due to this so-called Free Trade. But the glamour prevents these people, whether they are Prime Ministers or Trade Union officials, from connecting the cause of this industrial injury with the effect of it. Table 4 may possibly help towards dispersing this glamour.

As throughout 1851-1901, Agriculture has been the leading industry of this country, and as its decline in Table 4 is large and continuous, it is worth while to compute actuarially the full Table 5, based upon Table 4. Persons acquainted with the actuarial methods of obtaining a full series of facts by means of periodically observed facts, such as these in Table 4, will need no explanation of Table 5.

Readers not acquainted with these processes may be informed that Table 5 approximates to the facts for years not officially recorded with a considerable degree of accuracy quite adequate for the purpose.

The large and constant fall in Agriculture as an occupier of our population is saliently shown in Table 5. No one will dispute the value to a nation of a prosperous agriculture; it is an essential of national welfare and safety commonly recognised and acted upon by all nations with the exception of ourselves.

If no change in our Industrial condition other than that evidenced in Table 5 existed at the present time, a carefully thinking man would probably come to the opinion that this

change denotes a much too high price paid by us for what is called Free Trade.

And quite apart from considerations already put as to the supreme importance to any nation of a prosperous agriculture, think of the vast money-loss that has resulted from this decay of our agriculture. English land is most fertile; its crop-produce per acre is higher than that of any other country. During these last fifty or sixty years we have lost untold millions of pounds sterling by neglecting to let our agriculture breed wealth by the action of sun, rain, and air working upon a fertile soil. By letting our agricultural population vanish to the vast extent shown in Table 5, we have lost an untold increase in our buyers of agricultural machinery and requisites of all kinds, thus injuring our other productive industries.

When a nation deliberately paralyses the very backbone of national productive activity, as we by "Free Trade" have deliberately paralysed our Agriculture, can we wonder that other important industries show unmistakable signs of decay, as in Table 4?

It is a poor set-off against the decay of our Agriculture that our commercial men, our bankers, our financiers, our middlemen, our import and export agents, vie one against the other in piling up the mere money-wealth of this nation, and in enabling rich men to become richer men.

What has become of the vanished agricultural population evidenced in Table 5? They have gone to the coal-mines, to the towns, to the workhouse, to the grave, to foreign countries. And this country has to a great extent lost its supply of country-bred men, with the bone, muscle, and sinew that a nation needs.

We have indeed paid a high price for a gigantic national blunder. A blunder made in all good faith and with good intentions, but a grievous blunder nevertheless.

TABLE 5.—ENGLAND AND WALES: THE NUMBER OF PERSONS OCCUPIED IN AGRICULTURE PER 1000 OF THE POPULATION, 1845-1911 *Yearly Averages during each Decade.*

Decade.	Per 1000 of Population.	<i>Continued.</i> Decade.	<i>Continued.</i> Per 1000 of Population.
1845—1854	109	1874—1883	50
1846—1855	107	1875—1884	49
1847—1856	105	1876—1885	47
1848—1857	104	1877—1886	46
1849—1858	102	1878—1887	45
1850—1859	100	1879—1888	44
1851—1860	99	1880—1889	43
1852—1861	97	1881—1890	42
1853—1862	95	1882—1891	41
1854—1863	93	1883—1892	41
1855—1864	91	1884—1893	40
1856—1865	89	1885—1894	39
1857—1866	87	1886—1895	38
1858—1867	85	1887—1896	37
1859—1868	82	1888—1897	37
1860—1869	80	1889—1898	36
1861—1870	77	1890—1899	35
1862—1871	74	1891—1900	34
1863—1872	72	1892—1901	33
1864—1873	69	1893—1902	33
1865—1874	67	1894—1903	32
1866—1875	65	1895—1904	31
1867—1876	63	1896—1905	30
1868—1877	61	1897—1906	30
1869—1878	59	1898—1907	29
1870—1879	57	1899—1908	29
1871—1880	55	1900—1909	28
1872—1881	53	1901—1910	27
1873—1882	52	1902—1911	27

Computed actuarially from Table 4.

Before leaving this matter of occupation, it is useful to show the full Table 5A, actuarially expanded from Table 4.

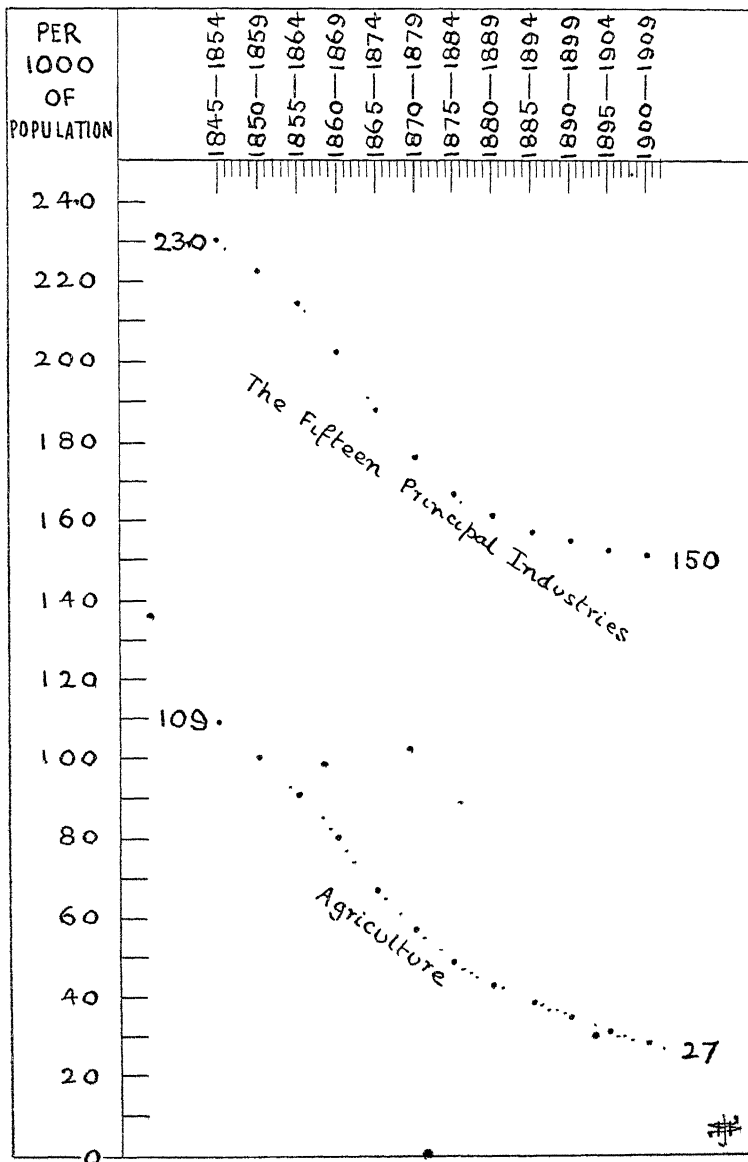
Here we see for each successive decade beginning with 1845-1854 the number of persons occupied in our fifteen leading groups of industries per 1000 of the population. There has been a continuous fall, as in Table 4, but in Table 5A we have a much more full view of this fall.

As regards this fall in occupation provided by our principal industries, it is sometimes asserted that this fall has been

OUR LOSS OF OCCUPATION-POWER

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DIAGRAM III.—SEE TABLES 5 AND 5A. ENGLAND AND WALES: THE NUMBER OF PERSONS OCCUPIED IN THE FIFTEEN PRINCIPAL GROUPS OF INDUSTRIES AND IN AGRICULTURE, PER 1000 OF THE POPULATION, 1845-1911 *Yearly Averages during each of 58 Decades.*



Keep the base-line 0 in sight.

Each dotted curve shows the result for each of 58 consecutive decades, beginning with 1845-1854 and ending with 1902-1911. The larger dots in the curve relate to each fifth decade which is dated at the top of the chart; the smaller dots relate to the intervening decades.

Example.—During the first decade, our Fifteen Principal Industries occupied 230 per 1000 of the Population; during the last decade, 150 per 1000.

caused by the introduction of machinery into processes of manufacture, thus dispensing with labour. But this explanation does not seem valid.

TABLE 5A—ENGLAND AND WALES: SHOWING THE NUMBER OF PERSONS OCCUPIED IN THE 15 LEADING GROUPS OF INDUSTRIES PER 1000 OF THE POPULATION OF ENGLAND AND WALES, 1845-1911. *Yearly Averages during each Decade.*

No. of Persons Occupied in the 15 Leading Groups of Industries per 1000 of the Population.			
Decade.	Number.	Continued. Decade.	Continued. Number.
1845—1854	230	1874—1883	168
1846—1855	228	1875—1884	167
1847—1856	226	1876—1885	165
1848—1857	225	1877—1886	164
1849—1858	224	1878—1887	163
1850—1859	222	1879—1888	162
1851—1860	221	1880—1889	161
1852—1861	219	1881—1890	160
1853—1862	218	1882—1891	159
1854—1863	216	1883—1892	158
1855—1864	214	1884—1893	158
1856—1865	212	1885—1894	157
1857—1866	210	1886—1895	157
1858—1867	207	1887—1896	156
1859—1868	205	1888—1897	156
1860—1869	202	1889—1898	155
1861—1870	200	1890—1899	155
1862—1871	197	1891—1900	155
1863—1872	194	1892—1901	154
1864—1873	191	1893—1902	154
1865—1874	188	1894—1903	153
1866—1875	186	1895—1904	153
1867—1876	183	1896—1905	153
1868—1877	181	1897—1906	152
1869—1878	178	1898—1907	152
1870—1879	176	1899—1908	152
1871—1880	174	1900—1909	151
1872—1881	172	1901—1910	151
1873—1882	170	1902—1911	150

Computed actuarially upon Table 4. The calculated rate of decrease during 1901 to 1911 has been taken very low in order not to exaggerate the probable decrease from 1901-1911. When the results of the 1911 Census are known, it is likely that the fall in the latter part of this table will be found to have under-stated the fall in Occupation.

If any manufacturing industry is working in healthy economic conditions, namely, conditions by which there is

no handicapping of the natural facilities for the sale of manufactured goods either in the home market or in overseas markets, then it is in accord with theory and with recorded fact that the extended use of machinery as an aid to production leads to a greatly developed trade, including an increased employment of workmen. The quantity produced by the aid of machinery in manufactures also increases per head of workmen employed, and facilities for sale are aided by machinery by reason of the lowered cost of production. If, on the other hand, machinery is used to manufacture goods in non-healthy economic conditions, namely, conditions that interfere with and which restrict the natural facilities for the sale of manufactured goods either in the home market or in overseas markets, then we may rightly expect to find a decrease in the number of persons employed relatively to the output of manufactured goods, or even an actual decrease in the number of persons employed.

In the United Kingdom, we have for many years been working in unhealthy economic conditions that restrict the sale of our goods in our home market and in overseas markets. In our home market these unhealthy economic conditions take the form of causing our home products to bear the cost of the national working expenses of this Kingdom, namely, Local and Imperial taxation, while simultaneously competing foreign products are admitted to our home market without being called upon to pay any contribution towards the national working expenses of this Kingdom.

As regards overseas markets the unhealthy economic conditions in which we work take the form of handicapping the sale of our products. Because when our goods enter overseas markets they are taxed in a double way. First they have to pay an import duty that is the equivalent of their contribution to the national working expenses of the overseas market our goods enter, and in the second place this foreign import duty is commonly of an amount that puts a super-tax upon our goods—namely, an import duty materially in excess of

the import duty requisite to make our goods upon entering an oversea market pay their share of the national working expenses of the country they enter. This excess aids the revenue of the foreign country.

Thus it needs an exceptionally vigorous home industry to enable its power as an occupation-provider for our people to be maintained in the unhealthy economic conditions in which we work. It follows that in some industries, such as our cotton industry, these unhealthy economic conditions have to some extent nullified the net advantage to-be gained by the use of machinery. The output may or may not be maintained, but the natural increased occupation-giving power of an extended use of machinery in cotton is seriously weakened.

On the other hand, take our Machinery industry, an exceptionally vigorous item of our Home Production. I suppose that in no trade more than in machinery has there been a greater extension of the use of machines replacing hand labour. For many years machinery has been increasingly made by the use of machinery. Our special facilities and long experience in making machinery have enabled us to maintain this as perhaps our most vigorous manufacturing industry. Our Machinery trade has been strong enough to overcome the unhealthy economic conditions here named; and despite the vastly extended use of machines to make machinery we have the clearest evidence in Table 4 that our Machinery industry has increased, not decreased, its power as an occupation-provider.

Take Printing as another illustration of the proposition that, given healthy economic conditions, the extended use of machinery increases employment. Our Printing trade, which is largely protected by the local nature of the Printing trade from the unhealthy economic conditions already mentioned, has greatly extended its power as an occupation-provider. But no one can deny that our Printing industry is one that is most notable for the increased use of machinery. Similarly with Bookbinding.

Thus it follows from these considerations that the assertion is wholly mistaken which attributes to the use of machinery in, for example, the Cotton industry the failing power of the Cotton industry as an occupation-provider for our people. That assertion is shallow and fallacious, and it is wholly contradicted by fact. If the effect of the use of machinery in manufacturing trades were to be that these trades lose their occupation-giving power, in that case all the manufactur-

TABLE 6.—THE UNITED KINGDOM, GERMANY, THE UNITED STATES:
SHOWING THE PERCENTAGE PROPORTION OF URBAN POPULATION TO
TOTAL POPULATION

Census Year.	Proportion of Urban Population per 100 of Total Population.		
	United Kingdom	Germany.	United States.
	Per cent	Per cent	Per cent
1860	..	...	16.1
1861	47.3		
1870			20.9
1871	54.5	36.1	
1875		39.0	
1880		41.4	22.6
1881	60.7		
1885		43.7	
1890		47.0	29.2
1891	65.6		
1895		50.2	
1900		54.3	33.1
1901	71.3		
1905	...	57.4	

Based upon Cd. 4954, pages 16-17.

See Table 7 for the full results computed actuarially from the above.

ing countries of the world would be rapidly losing their power to provide work and wages for their populations. The reason why the manufacturing industries of the United Kingdom have been and are losing occupation-giving power is because of the handicap put upon them by our present trade policy, which gives freedom to buy but not freedom to sell. Real Free Trade means the free untaxed exchange of commodities between all nations, and there is as much

difference between real Free Trade and our so-called Free Trade as there is between a Bank of England £100 note and a £100 note of the "Bank of Elegance," such as the confidence-trick men use to delude their dupes.

We have dealt with populations, with their occupations, and now we have to examine the matter of where the people live. All these things are an essential part of any serious study of our home production and of our home industrial conditions. We are groping in the dark unless we know the facts.

Table 6 compares the United Kingdom, Germany, and the United States as regards the proportion of Urban Population in each country. This is a skeleton made of the official facts. Fully to see this matter, necessitates the actuarial expansion of Table 6 given in Table 7.

During the first decade, one-half of our population was living in Towns, and one-half in Rural Districts.

During the last decade, only one-quarter of our population was living in Rural Districts, and three-quarters were living in Urban Districts. This is a very material change. It is not a change for the better. An excessive proportion of town-born and town-bred people is not so valuable nationally as a more equally distributed population.

Both in Germany and in the United States, the proportion of town population has materially increased, but in both of these countries a much larger proportion of rural population is preserved than in the United Kingdom.

The next process in this survey of Home Production and of home industrial conditions is to examine such leading features of industrial activity as coal, pig-iron, steel, for the reason that these things enter largely into many industrial and productive works.

Table 8 shows the Production of Coal in the United Kingdom, in Germany, in the United States.

As may be gathered from Table 4, our coal-mining industry has greatly increased. We see in Table 8 that

LOSS OF RURAL POPULATION

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TABLE 7.—THE UNITED KINGDOM, GERMANY, THE UNITED STATES:
SHOWING THE PERCENTAGE PROPORTION OF URBAN AND OF RURAL
POPULATIONS RESPECTIVELY TO TOTAL POPULATION, 1860-1910.
Yearly Averages during each Decade

Decade.	Proportion of Urban Population per 100 of Total Population.			Proportion of Rural Population per 100 of Total Population.		
	United Kingdom	Germany.	United States.	United Kingdom.	Germany.	United States
	Per cent	Per cent	Per cent.	Per cent	Per cent	Per cent
1860—1869	50		18	50		82
1861—1870	50		19	50		81
1862—1871	51		19	49		81
1863—1872	52		20	48		80
1864—1873	53		20	47		80
1865—1874	53		20	47		80
1866—1875	54		21	46		79
1867—1876	55	...	21	45		79
1868—1877	55		21	45		79
1869—1878	56	...	21	44		79
1870—1879	57	38	22	43	62	78
1871—1880	57	39	22	43	61	78
1872—1881	58	40	22	42	60	78
1873—1882	58	40	22	42	60	78
1874—1883	59	41	23	41	59	77
1875—1884	60	41	23	40	59	77
1876—1885	60	42	23	40	58	77
1877—1886	61	42	24	39	58	76
1878—1887	61	43	24	39	57	76
1879—1888	62	43	25	38	57	75
1880—1889	62	44	25	38	56	75
1881—1890	63	44	26	37	56	74
1882—1891	63	45	27	37	55	73
1883—1892	64	45	27	36	55	73
1884—1893	64	46	28	36	54	72
1885—1894	65	47	28	35	53	72
1886—1895	65	47	29	35	53	71
1887—1896	66	48	30	34	52	70
1888—1897	66	49	30	34	51	70
1889—1898	67	49	30	33	51	70
1890—1899	68	50	31	32	50	69
1891—1900	68	51	31	32	49	69
1892—1901	69	51	32	31	49	68
1893—1902	69	52	32	31	48	68
1894—1903	70	53	33	30	47	67
1895—1904	70	54	33	30	46	67
1896—1905	71	54	33	29	46	67
1897—1906	72	55	34	28	45	66
1898—1907	72	56	34	28	44	66
1899—1908	73	56	35	27	44	65
1900—1909	73	57	35	27	43	65
1901—1910	74	58	35	26	42	65
Result	A large Rise	A large Rise	A large Rise	A large Fall	A large Fall	A large Fall

Computed actuarially from Table 6.

Observe that during the decade 1901-1910 the Urban (or Town) Proportion of the Total Population was approximately as follows:—

United Kingdom	74 per cent.
Germany	58 "
United States	35 "

When the results of the 1911 Census for the United Kingdom become known, it will be found that not less than three-quarters of our Population are Urban Population.

our coal-production has increased at a much faster rate than our population has increased, and if the same could be said of our Productive and Manufacturing industries—see Table 4—we should have no cause to doubt the industrial prosperity of this country.

TABLE 8 — PRODUCTION OF COAL, 1880-1910. *Yearly Averages during each Decade*

Decade.	In United Kingdom.	In Germany.	In United States.
	Million Tons	Million Tons	Million Tons.
1880—1889	161	56	102
1881—1890	164	58	110
1882—1891	167	61	117
1883—1892	170	63	124
1884—1893	170	65	130
1885—1894	173	66	134
1886—1895	176	68	142
1887—1896	180	71	149
1888—1897	184	74	155
1889—1898	187	77	161
1890—1899	191	81	171
1891—1900	195	84	181
1892—1901	199	88	192
1893—1902	203	91	203
1894—1903	210	96	219
1895—1904	214	100	235
1896—1905	219	104	253
1897—1906	225	109	273
1898—1907	231	114	298
1899—1908	237	120	320
1900—1909	241	123	335
1901—1910	244	125	348
Increase from first to last Decade	Million Tons. 83	Million Tons 69	Million Tons 246
Rate of Increase from first to last Decade	Per cent. 52	Per cent. 123	Per cent. 241
Rate of Increase of Population from first to last Decade	Per cent 21	Per cent 30	Per cent 51

Based upon Cd. 4954, page 167; Cd. 5296, page 320.

All in Tons of 2240 lbs. The United States passed the United Kingdom in Coal-Production in the decade 1894-1903.

A large part of our production of coal is exported. Our exports of coal have increased at a much greater rate than

PRODUCTION OF PIG-IRON

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our production of coal. During the period of Table 8, our exports of coal increased by 137 per cent. in weight, and by 212 per cent. in value—see Table 235; but, as Table 8 shows, our production of coal increased by only 52 per cent.

TABLE 9—PRODUCTION OF PIG-IRON, 1880-1910. *Yearly Averages during each Decade.*

Decade.	In United Kingdom.	In Germany.	In United States
	Million Tons	Million Tons	Million Tons
1880—1889 .	7·9	3·6	5·1
1881—1890	7·9	3·8	5·7
1882—1891	7·8	3·9	6·1
1883—1892	7·7	4·1	6·6
1884—1893	7·5	4·2	6·8
1885—1894	7·5	4·4	7·1
1886—1895	7·5	4·6	7·6
1887—1896	7·7	4·9	7·9
1888—1897	7·8	5·1	8·2
1889—1898	7·8	5·4	8·8
1890—1899	8·0	5·8	9·4
1891—1900	8·1	6·2	9·8
1892—1901	8·1	6·5	10·6
1893—1902	8·3	6·8	11·4
1894—1903	8·5	7·3	12·5
1895—1904	8·6	7·8	13·5
1896—1905	8·8	8·3	14·9
1897—1906	9·0	8·9	16·5
1898—1907	9·1	9·5	18·1
1899—1908	9·2	9·9	18·6
1900—1909	9·2	10·3	19·3
1901—1910	9·2	10·6	20·1
Increase from first to last Decade .	Million Tons 1·3	Million Tons 7·0	Million Tons. 15·0
Rate of Increase from first to last Decade	Per cent 16	Per cent 194	Per cent 294
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

Based upon Cd. 4954, page 169.

Germany passed the United Kingdom in the decade 1898-1907. The United States passed the United Kingdom in the decade 1886-1895.

In Table 8 we see that although coal-production in Germany is not followed to anything like the extent it is in the United Kingdom (see also Tables 3 and 4), yet Germany has

increased her coal-production to an actual extent not much below our increase. While Germany's rate of growth in coal-production has largely exceeded our rate of growth.

TABLE 10 — PRODUCTION OF CRUDE STEEL, 1880-1910 *Yearly Averages during each Decade*

Decade.	In United Kingdom.	In Germany	In United States.
	Million Tons	Million Tons	Million Tons
1880—1889	2.4	1.0	2.2
1881—1890	2.6	1.1	2.5
1882—1891	2.8	1.3	2.7
1883—1892	2.9	1.5	3.0
1884—1893	3.0	1.7	3.3
1885—1894	3.1	2.0	3.5
1886—1895	3.2	2.3	4.0
1887—1896	3.3	2.6	4.2
1888—1897	3.5	3.0	4.6
1889—1898	3.6	3.5	5.2
1890—1899	3.7	4.0	6.0
1891—1900	3.8	4.4	6.6
1892—1901	4.0	4.7	7.5
1893—1902	4.2	5.2	8.5
1894—1903	4.4	5.7	9.6
1895—1904	4.6	6.2	10.5
1896—1905	4.8	6.8	11.9
1897—1906	5.1	7.4	13.7
1898—1907	5.3	8.1	15.3
1899—1908	5.4	8.7	15.8
1900—1909	5.4	9.1	16.7
1901—1910	5.5	9.5	17.5
Increase from first to last Decade.	Million Tons 3.1	Million Tons. 8.5	Million Tons. 15.3
Rate of Increase from first to last Decade	Per cent. 129	Per cent. 850	Per cent. 695
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

Based upon Cd. 4954, page 171.

Germany passed the United Kingdom in the decade 1890-1899.

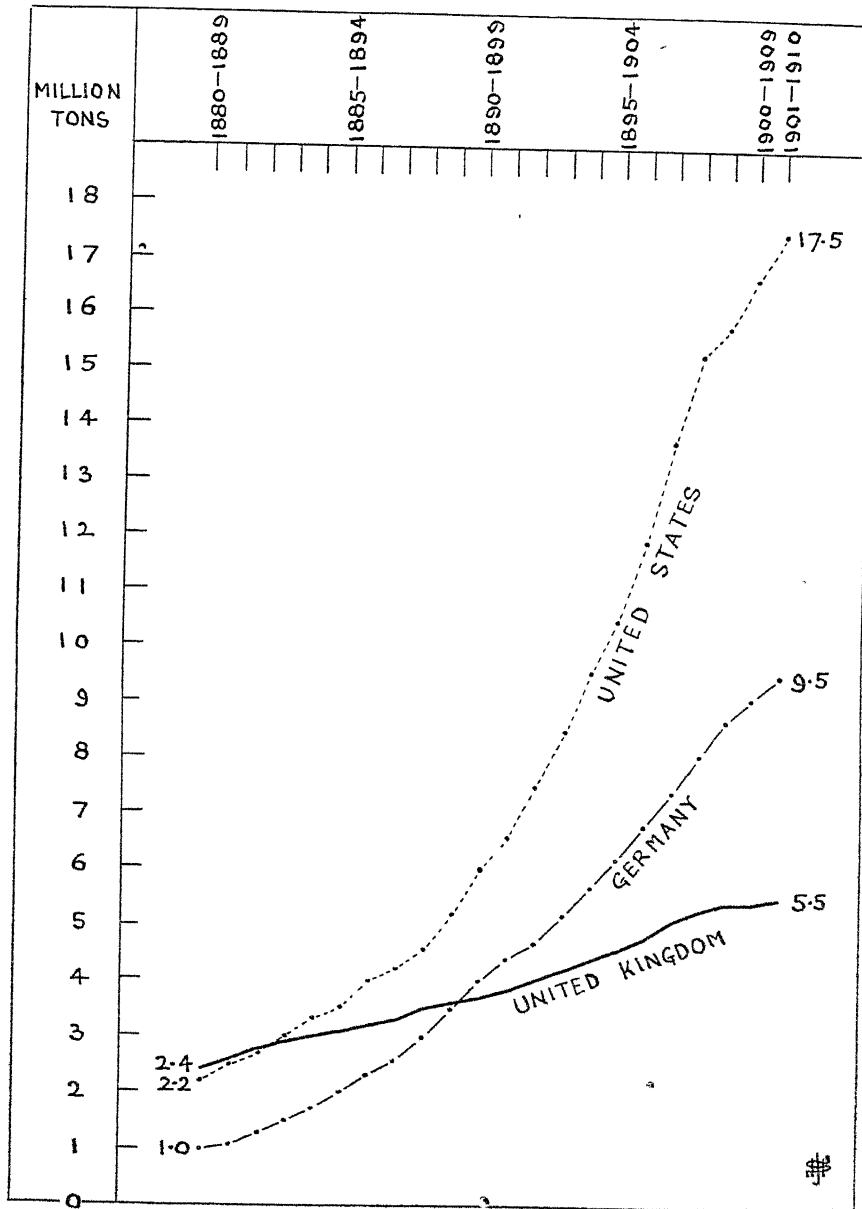
The United States passed the United Kingdom in the decade 1893-1892.

The United States, Table 8, starting in the first decade a long way behind us in coal-production, passed us in the decade 1894-1903, and is now a long way ahead of us. Their

PRODUCTION OF CRUDE STEEL

33

DIAGRAM IV.—SEE TABLE 10. PRODUCTION OF CRUDE STEEL,
1880-1910 *Yearly Averages during each Decade.*



The United Kingdom's Production of Crude Steel was passed by Germany's production in the decade 1890-1899, and by the United States' production in the decade 1899-1900.

rate of growth of coal-production relatively to population has also greatly exceeded our rate of growth.

In the Production of Pig-Iron, we held a large lead over Germany and over the United States during the first decade of Table 9. Germany passed us in the decade 1898-1907. The United States passed us in the decade 1886-1895.

At present, Germany has an appreciable lead over us, and the United States have left us far behind.

A notable fact is that although the German population and the United States population have each increased at a much faster rate than our population has increased, thus rendering the population test much more severe in those countries than in the United Kingdom, yet the rate of growth in Pig-Iron Production in the two foreign countries has vastly exceeded the growth of their population. In the United Kingdom, our Production of Pig-Iron has not kept pace with the growth of our population.

Much the same results are seen in Table 10 as regards the Production of Crude Steel.

During the first decade, we easily led Germany and the United States. During the last decade both of these countries had a large lead over us. Our advance in Machinery—see Tables 4 and 220—has accompanied the advance in our Production of Crude Steel. But we have to note that the latter increase is immensely below the increase made by Germany and by the United States, both actually and relatively to population.

The United Kingdom's Coal-Consumption in Table 11 includes a very large increase in coal for steamship bunkers. If the latter quantity could be ascertained and deducted from Table 11, the increase in our coal-consumption for home industries would probably fall short of the increase in our population. We have to note that actually, and also in relation to population, both Germany and the United States have increased their Coal-Consumption to an extent much

CONSUMPTION OF COAL

35

greater than our increase. The United States passed us in the decade 1886-1895.

TABLE 11.—CONSUMPTION OF COAL, 1880-1910. *Yearly Averages during each Decade.*

Decade.	In United Kingdom.*	In Germany †	In United States.
	Million Tons	Million Tons	Million Tons
1880—1889	131	50	102
1881—1890	133	52	109
1882—1891	134	54	116
1883—1892	136	56	123
1884—1893	135	58	129
1885—1894	136	60	133
1886—1895	138	62	140
1887—1896	141	64	147
1888—1897	143	67	153
1889—1898	145	70	159
1890—1899	147	72	169
1891—1900	150	76	178
1892—1901	151	79	189
1893—1902	154	82	200
1894—1903	158	85	215
1895—1904	160	89	231
1896—1905	162	92	248
1897—1906	164	97	268
1898—1907	167	102	292
1899—1908	169	106	308
1900—1909	170	111	322
1901—1910	171	115	334
Increase from first to last Decade . . .	Million Tons. 40	Million Tons. 65	Million Tons 232
Rate of Increase from first to last Decade	Per cent. 30	Per cent. 130	Per cent. 227
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent 51

Based upon Cd. 4954, page 172.

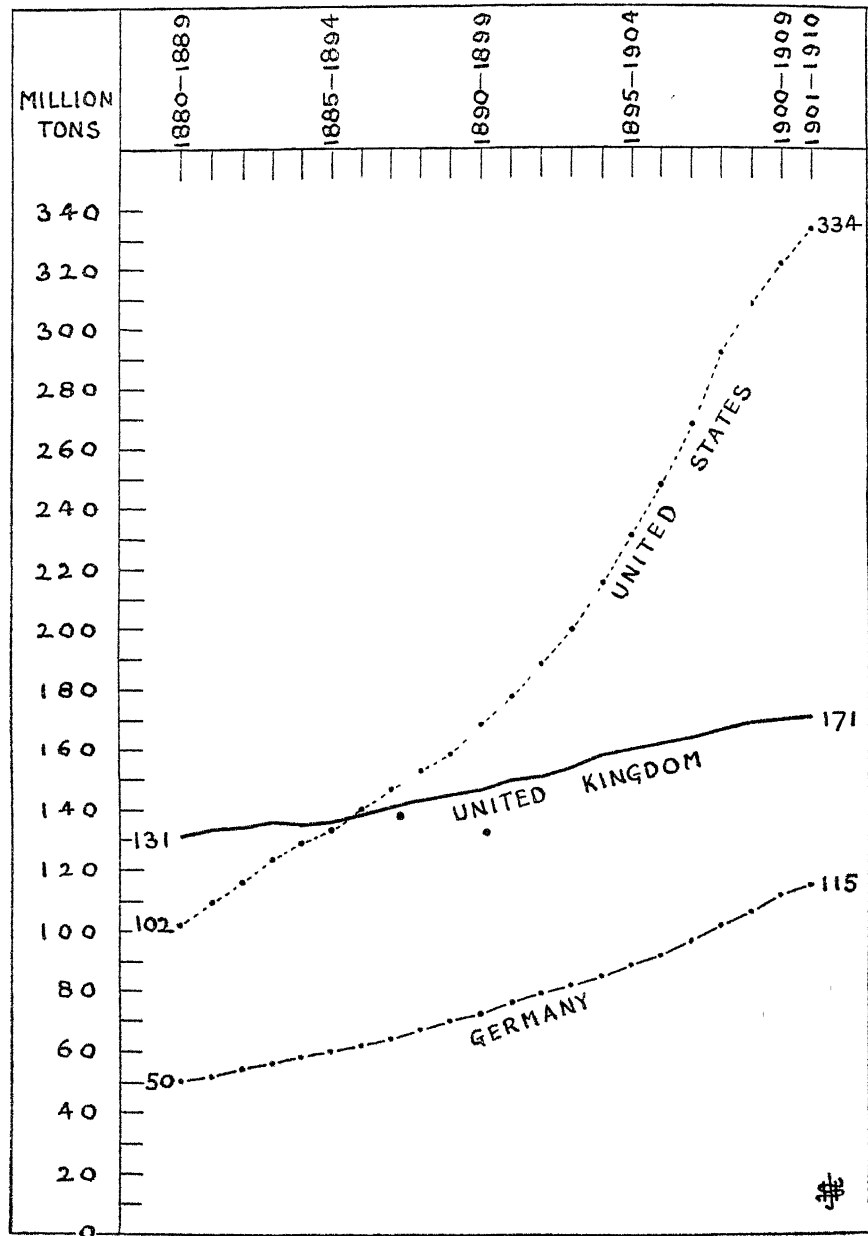
The United States passed the United Kingdom in the decade 1886-1895.

* Including a relatively larger consumption of Coal for Household Purposes than in Germany or in the United States.

† In addition to coal, Germany uses as fuel a large quantity of denatured spirit and other coal-substitutes.

Table 12 shows that in the Consumption of Pig-Iron we held the lead during the first decade. Germany and the

DIAGRAM V—SEE TABLE 11 CONSUMPTION OF COAL, 1880-1910
Yearly Averages during each Decade



Keep the base-line 0 in sight.

Note.—Germany's relatively small coal-consumption is stated in the Board of Trade paper No. 295, page 8, to be due to the fact that in Germany a large quantity of fuel other than coal is used, such as turf, wood, lignite, and denatured spirit. Despite this fact, Germany's coal-consumption has increased much more than the coal-consumption of the United Kingdom, which includes a large quantity of Bunker-Coal used in our shipping. The United States passed the United Kingdom in the decade 1886-1895.

CONSUMPTION OF PIG-IRON

37

United States have both passed us, and now hold a large lead over us.

TABLE 12—CONSUMPTION OF PIG-IRON, 1880-1910. *Yearly Averages during each Decade.*

Decade.	In United Kingdom.	In Germany.	In United States.
	Million Tons	Million Tons	Million Tons.
1880—1889	6.7	3.6	5.4
1881—1890	6.7	3.8	6.0
1882—1891	6.7	4.0	6.3
1883—1892	6.6	4.1	6.7
1884—1893	6.5	4.3	7.0
1885—1894	6.6	4.5	7.2
1886—1895	6.6	4.6	7.7
1887—1896	6.8	5.0	8.0
1888—1897	6.9	5.3	8.2
1889—1898	7.0	5.6	8.7
1890—1899	7.1	6.0	9.3
1891—1900	7.1	6.4	9.7
1892—1901	7.2	6.7	10.5
1893—1902	7.4	7.0	11.4
1894—1903	7.6	7.5	12.5
1895—1904	7.7	7.9	13.5
1896—1905	7.9	8.4	14.9
1897—1906	8.0	9.0	16.6
1898—1907	8.0	9.6	18.3
1899—1908	8.0	10.0	18.7
1900—1909	8.0	10.3	19.5
1901—1910	8.1	10.5	20.3
Increase from first to last Decade.	Million Tons. 1.4	Million Tons. 6.9	Million Tons. 14.9
Rate of Increase from first to last Decade	Per cent 21	Per cent 192	Per cent 276
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

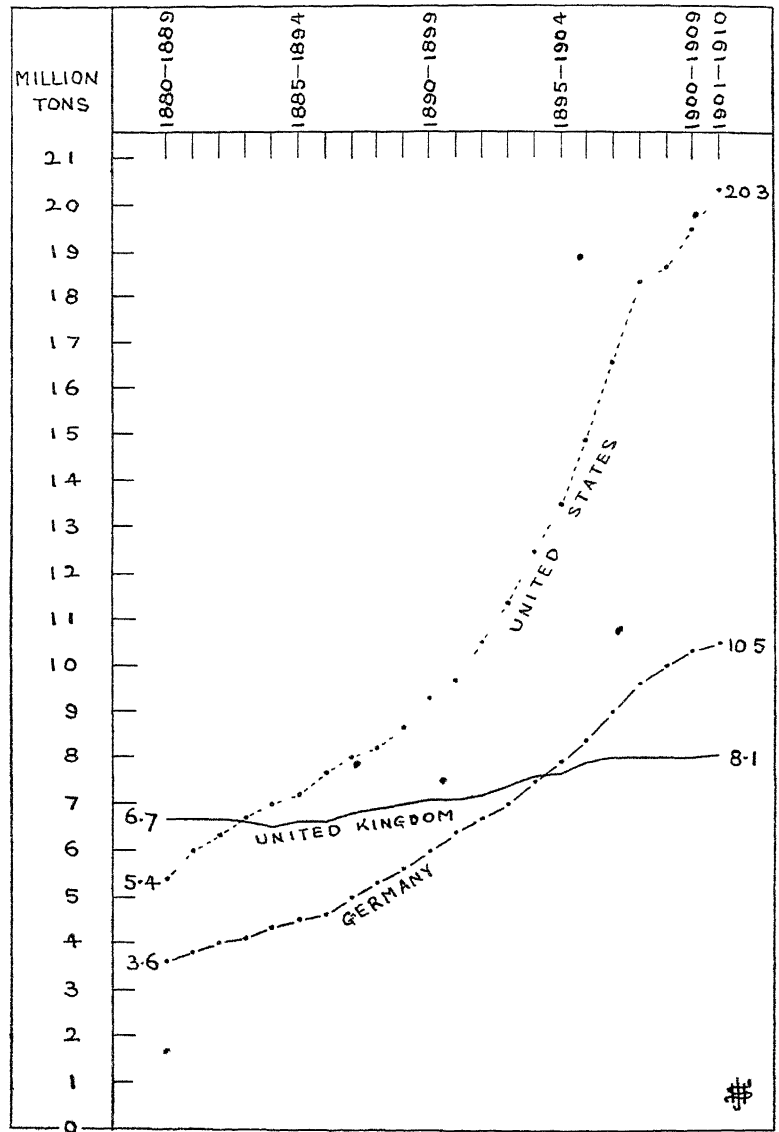
Based upon Cd. 4954, page 173.

Germany passed the United Kingdom in the decade 1895-1904.

The United States passed the United Kingdom in the decade 1883-1892.

The Consumption of Steel is not shown in the official records. Indications in this matter are contained in Table 4, under the headings Iron and Steel, Machinery and Ships.

DIAGRAM VI.—SEE TABLE 12 CONSUMPTION OF PIG-IRON, 1880-1910.
Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Note.—The United Kingdom's Consumption of Pig-Iron was passed by Germany in the decade 1895-1904, and by the United States in the decade 1888-1892.

CONSUMPTION OF RAW COTTON

39

As is shown in Table 4, Cotton is our leading Manufacturing Industry. In Table 13 we have our Consumption of Raw Cotton. There has been a rise, but not sufficient to keep

TABLE 13 —CONSUMPTION OF RAW COTTON, 1880-1910. *Yearly Averages during each Decade.*

Decade.	In United Kingdom.	In Germany.	In United States.
	Million Cwts	Million Cwts	Million Cwts.
1880—1889	13·0	3·3	9·1
1881—1890	13·3	3·5	9·4
1882—1891	13·5	3·7	9·9
1883—1892	13·5	3·9	10·0
1884—1893	13·5	4·0	10·3
1885—1894	13·6	4·2	10·8
1886—1895	13·9	4·5	11·0
1887—1896	14·1	4·6	11·4
1888—1897	14·2	4·8	12·0
1889—1898	14·4	5·1	12·6
1890—1899	14·6	5·3	13·1
1891—1900	14·6	5·5	13·6
1892—1901	14·5	5·6	14·1
1893—1902	14·6	5·8	14·9
1894—1903	14·7	6·1	15·6
1895—1904	14·7	6·3	16·3
1896—1905	14·9	6·5	17·4
1897—1906	15·1	6·8	18·3
1898—1907	15·4	7·1	18·8
1899—1908	15·4	7·3	18·9
1900—1909	15·4	7·4	19·1
1901—1910	15·5	7·5	19·4
Increase from first to last Decade.	Million Cwts. 2·5	Million Cwts. 4·2	Million Cwts. 10·3
Rate of Increase from first to last Decade	Per cent. 19	Per cent. 127	Per cent. 113
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

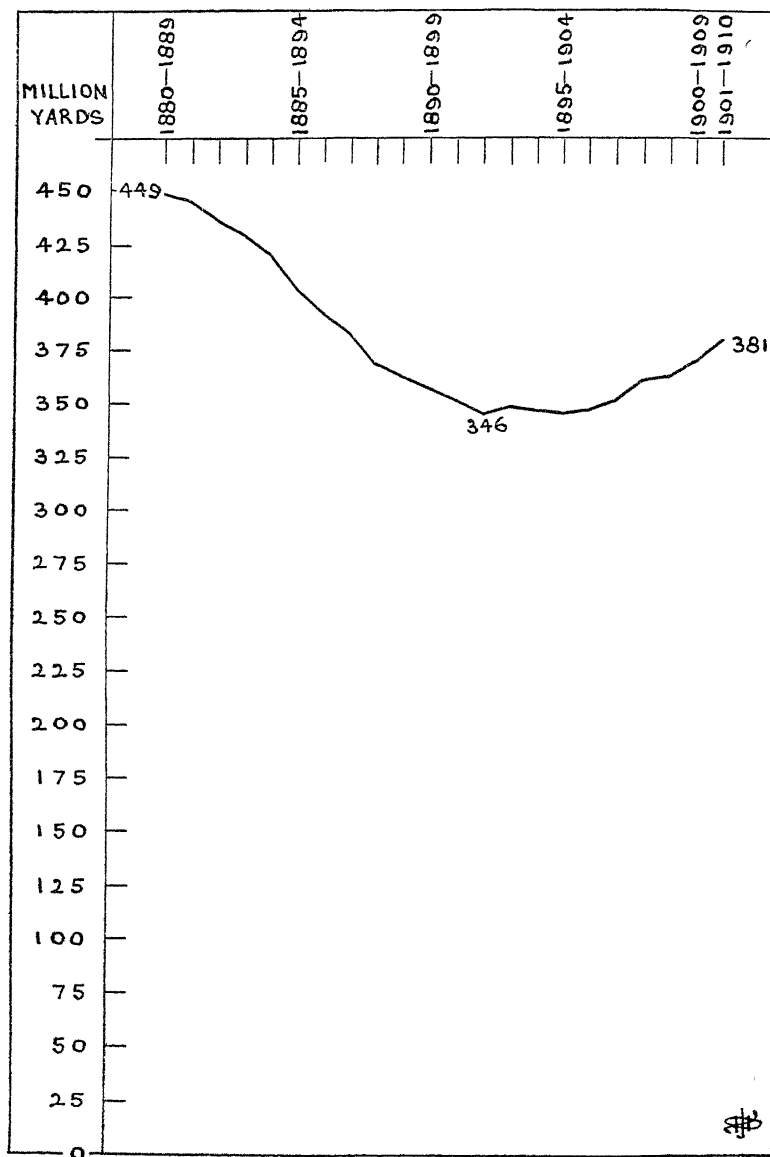
Based upon Cd. 4954, page 159.

The United States passed the United Kingdom in the decade 1893-1902.

pace with the growth of our population. This fact relating to our consumption of Raw Cotton confirms Table 4, which shows the decline of cotton as an occupation-provider.

Although Germany is not a manufacturer of cotton goods

DIAGRAM VII—SEE TABLE 14. UNITED KINGDOM: EXPORTS OF COTTON PIECE GOODS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Note.—Our Exports of Cotton Piece Goods to the Principal Protected Foreign Countries fell from 449 million yards yearly to 381 million yards yearly, despite all the recent boom-years of foreign commerce. The effect of the latter years is plainly shown in the curve.

EXPORTS OF COTTON PIECE GOODS 41

to anything like the extent to which we follow our leading manufacturing industry, yet Germany's consumption of raw

TABLE 14—UNITED KINGDOM: SPECIAL EXPORTS OF COTTON PIECE GOODS, DISTINGUISHING EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1910. *Yearly Averages during each Decade.*

Decade.	To Europe (except Turkey) <i>plus</i> the United States. (a)	To All Other Destinations.* (b)	Total (a + b). As in Table 211. (c)
	Million Yards	Million Yards	Million Yards
1880—1889	449	4226	4675
1881—1890	445	4293	4738
1882—1891	437	4314	4751
1883—1892	429	4374	4803
1884—1893	421	4394	4815
1885—1894	404	4500	4904
1886—1895	393	4577	4970
1887—1896	384	4623	5007
1888—1897	369	4627	4996
1889—1898	363	4650	5013
1890—1899	358	4699	5057
1891—1900	352	4696	5048
1892—1901	346	4747	5093
1893—1902	349	4790	5139
1894—1903	347	4843	5190
1895—1904	346	4872	5218
1896—1905	347	4987	5334
1897—1906	352	5086	5438
1898—1907	362	5227	5589
1899—1908	363	5257	5620
1900—1909	371	5278	5649
1901—1910	381	5366	5747
Increase from first to last Decade . . .	Million Yards 68—a Decrease	Million Yards 1140	Million Yards. 1072
Rate of Increase from first to last Decade	Per cent. 15—a Decrease	Per cent. 27	Per cent. 23
Rate of Increase of Population from first to last Decade	Per cent 21	Per cent. 21	Per cent. 21

Based upon Cd. 4954, page 155 ; 43-xi, page 194.

* Approximately one-half of this quantity went to British East India.

cotton has increased actually* and relatively to an extent much greater than our increase..

The United States, far behind us during the first decade of Table 13, has gained a large lead.

In connection with Cotton, it is interesting to see in Table 14 the distinction between our Special Exports of Cotton Piece Goods to the Principal Protected Foreign Countries, and to all other destinations.

To the former group, and despite a partial recovery during recent years of greatly increased foreign commerce, we see in column (*a*) of Table 14 that we have been quite unable to maintain our exports of cotton piece goods to the Principal Protected Foreign Countries. There has been an actual decrease, and a still larger decrease if the growth of our population be considered.

The cotton piece goods exports to all destinations, column (*c*) of Table 14, have slightly exceeded the growth of our population. Other important items of our cotton trade have fallen. See Tables 211-215.

Our Wool Industry is another leading item of Home Production. It is our oldest manufacturing textile industry. Table 15 relates to the Consumption of Raw Wool.

Our consumption of Raw Wool increased up to the decade 1893-1902. Since then, there has been a considerable fall, and despite the recent series of boom-years of foreign commerce, we see that our consumption of Raw Wool has not been able to get up to the level of 1893-1902. This is merely one of many evidences now being shown which demonstrate that a progressive foreign commerce may occur simultaneously with a non-prosperous condition of Home Production. And, as has been shown earlier in this chapter, the factor of Home Production—of Home Trade—is the dominating factor, because our Home Trade is at least five times as valuable as our Foreign Commerce as regards employment and wage-providing power.

Table 15 shows that Germany's increase in the consumption of Raw Wool has exceeded our increase, actually and relatively to population; that the increase in the United

States' consumption of Raw Wool has equalled our increase; and this has occurred although in neither of these two foreign countries does the Wool Industry rank, as it does with us, as the second or third leading manufacturing industry.

TABLE 15.—CONSUMPTION OF RAW WOOL, 1880-1910. *Yearly Averages during each Decade*

Decade.	In United Kingdom.	In Germany.	In United States.
	Million lbs	Million lbs	Million lbs
1880—1889	364	252	367
1881—1890	369	265	369
1882—1891	385	278	381
1883—1892	396	294	392
1884—1893	409	305	403
1885—1894	422	316	400
1886—1895	435	333	414
1887—1896	446	345	420
1888—1897	455	355	441
1889—1898	468	364	443
1890—1899	473	371	438
1891—1900	480	372	444
1892—1901	484	372	443
1893—1902	485	370	447
1894—1903	480	372	446
1895—1904	472	370	457
1896—1905	468	365	461
1897—1906	465	364	461
1898—1907	473	367	451
1899—1908	468	366	454
1900—1909	466	363	466
1901—1910	465	368	468
Increase from first to last Decade.	Million lbs. 101	Million lbs 116	Million lbs 101
Rate of Increase from first to last Decade	Per cent. 27	Per cent. 46	Per cent. 27
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

Based upon Cd. 4954, page 165.

Another condition closely connected with general industrial progress is the weight of goods traffic conveyed by the railways of a country. Table 16 shows the facts relating to the United Kingdom, Germany, the United States.

When we look at the result for the United Kingdom in Table 16, we see a large rise that, lacking further investigation, points to a great expansion. The increase in

TABLE 16.—WEIGHT OF GOODS TRAFFIC CONVEYED BY RAILWAYS,
1880-1910. *Yearly Averages during each Decade.*

Decade.	United Kingdom.*	Germany.†	United States.‡
	Million Tons	Million Tons	Million Tons
1880—1889	262	183	400
1881—1890	269	189	429
1882—1891	275	194	456
1883—1892	281	198	487
1884—1893	283	202	517
1885—1894	290	206	537
1886—1895	298	216	559
1887—1896	308	228	584
1888—1897	318	240	599
1889—1898	328	252	624
1890—1899	340	264	653
1891—1900	352	278	693
1892—1901	362	290	733
1893—1902	375	303	778
1894—1903	390	318	829
1895—1904	403	333	890
1896—1905	415	351	956
1897—1906	429	370	1034
1898—1907	443	392	1130
1899—1908	454	413	1223
1900—1909	463	435	1319
1901—1910	471	458	1413
Increase from first to last Decade . . .	Million Tons. 209	Million Tons 275	Million Tons 1013
Rate of Increase from first to last Decade	Per cent. 79	Per cent 150	Per cent. 253
Rate of Increase of Population from first to last Decade	Per cent. 21	Per cent. 30	Per cent. 51

Based upon Cd. 4954, page 128.

* See Tables 17-19 for distinction of "General Merchandise" and "Minerals."

† Excluding Goods Traffic on narrow-gauge lines.

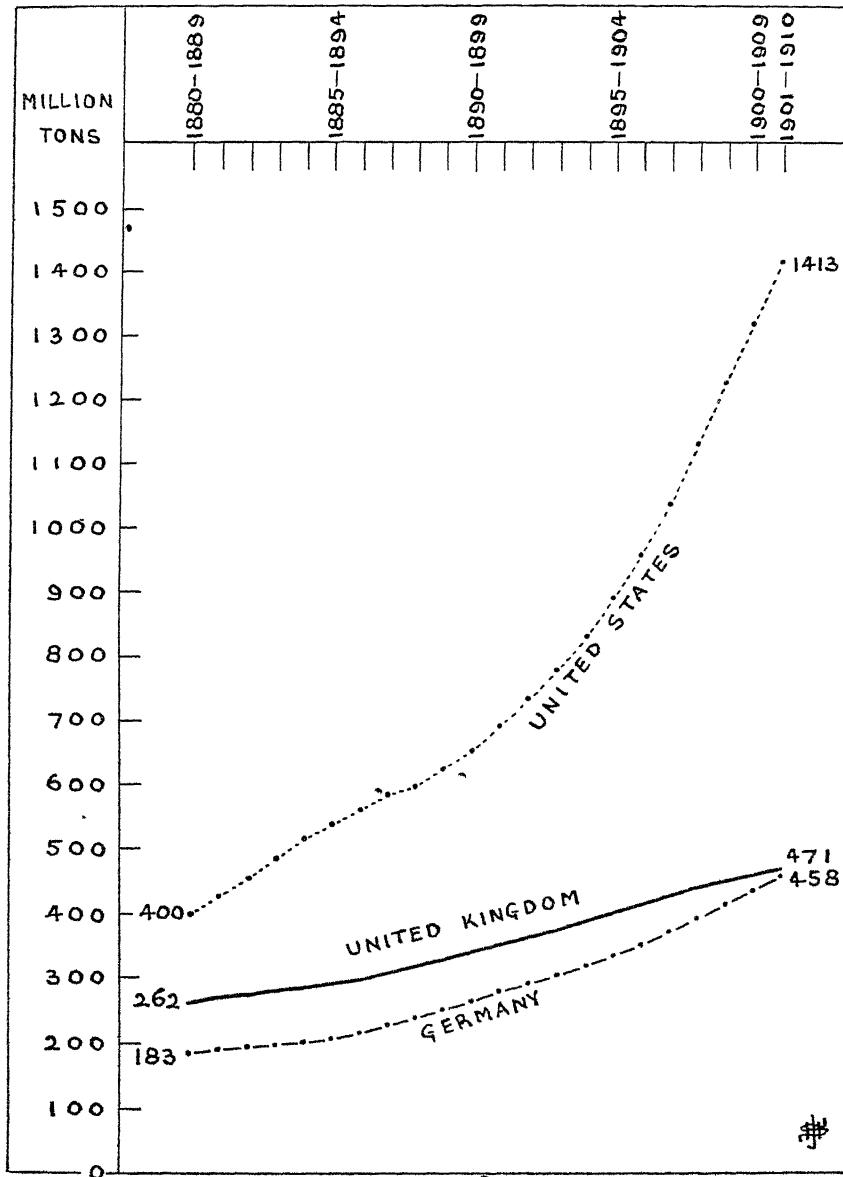
‡ Excluding Goods Traffic on elevated railways. This is considerable; lately, nearly 200 million tons per year.

Goods Traffic has largely exceeded the growth of our population. Leaving for a moment the further investigation that is necessary, and taking full credit for this expansion

WEIGHT OF GOODS TRAFFIC

45

DIAGRAM VIII.—SEE TABLE 16. WEIGHT OF GOODS TRAFFIC CONVEYED BY RAILWAYS, 1880-1910. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Note.—German Railway Goods Traffic has increased much more than the Goods Traffic of the United Kingdom. The Railway Goods Traffic of the United States has increased still more largely than that of Germany. Most of our above increase is in "Mineral" Traffic, not in "General Merchandise."

TABLE 17.—UNITED KINGDOM: WEIGHT OF GOODS TRAFFIC CONVEYED BY THE RAILWAYS, DISTINGUISHING GENERAL MERCHANDISE AND MINERALS, 1880-1910 *Yearly Averages during each Decade*

Decade.	General Merchandise.		Minerals.		Total Goods Traffic.
	Million Tons		Million Tons		Million Tons
1880—1889	75		187		262
1881—1890	77		192		269
1882—1891	79		196		275
1883—1892	81		200		281
1884—1893	81		202		283
1885—1894	83		207		290
1886—1895	85		213		298
1887—1896	88		220		308
1888—1897	91		227		318
1889—1898	94	A Rise, and then a Fall	234	A large and continuous Rise	328
1890—1899	97		243		340
1891—1900	100		252		352
1892—1901	103		259		362
1893—1902	106	(a)	269	(a)	375
1894—1903	107	110	283	280	390
1895—1904	109	114	294	289	403
1896—1905	109	117	306	298	415
1897—1906	110	121	319	308	429
1898—1907	110	125	333	318	443
1899—1908	109	127	345	327	454
1900—1909	108	130	355	333	463
1901—1910	107	132	364	339	471
Increase from first to last Decade	Million Tons 32 57		Million Tons 177 152		Million Tons 209
Rate of Increase from first to last Decade .	Per cent 43 76		Per cent. 94 81		Per cent. 79
Rate of Increase of Population from first to last Decade .	Per cent 21		Per cent. 21		Per cent. 21

Based upon Cd. 4954, page 125 ; Cd. 5296, page 316.

The amended results (a) are given in addition to those based upon the Board of Trade figures on page 125 of Cd. 4954. The latter show a fall in General Merchandise and a rise in Minerals—as shown in this table. In the Blue Book no cause of the fall in General Merchandise is mentioned. A separate examination of the Railway Returns shows that in the year 1903 a revision was made in the classification of Goods Traffic, possibly causing the weight of General Merchandise to have been over-stated before the year 1903. Therefore, the above amended results (a) have been computed upon the assumption that the distribution of Goods Traffic under the heads of General Merchandise and of Minerals remained at the same proportion during 1903 and subsequently, as the proportion in previous years. These results (a) are probably somewhat too high for General Merchandise and too low for Minerals.

of Goods Traffic in the United Kingdom, we see in Table 16 that the goods traffic of Germany and of the United States has largely exceeded our increase, actually and also relatively to population; although as regards Germany and the United States some important items of goods traffic are omitted. See the footnotes to Table 16.

Now look at Table 17. Here we see the Goods Traffic of the United Kingdom split up into General Merchandise and Minerals, the latter being predominantly Coal. We see at a glance that, not only is our Goods Traffic principally made up of the conveyance of Minerals, not of the conveyance of General Merchandise, but also we see that the large increase of Table 16 is in Table 17 shown to relate predominantly to Mineral Traffic.

Follow this a step further. In Table 18 we see our Goods Traffic per Ten of Population. There has been a very large and continuous rise in our Mineral Traffic, predominantly Coal; but in General Merchandise the rise was small. Moreover, we have to bear in mind that owing to the great increase in our Foreign Commerce, a great increase has occurred in the conveyance by our railways of our imported merchandise. This merchandise has to be conveyed from our ports to the various distributing centres; and it has to be conveyed a second time, possibly a third time, from the distributing centres to the places of consumption. These considerations mean that the small rise in General Merchandise [taking the amended results (*a*)] in Table 18 would have been appreciably smaller but for the large increase in our imports during this period. It follows that our Home-produced Merchandise has probably fallen off in quantity.

This matter is so important and its full investigation is so wholly disregarded by the Board of Trade, that a further analysis may be given. In Table 19 we see that our general merchandise has not only failed to increase its proportion of our Goods Traffic, but that it has not fully maintained its proportion of our Goods Traffic. If our home industries had

been vigorous, we might reasonably expect to see a rise in the proportion of General Merchandise conveyed by railways. And, as before noted, this general merchandise includes a

TABLE 18—UNITED KINGDOM: GOODS TRAFFIC BY RAILWAYS, PER TEN OF POPULATION, DISTINGUISHING GENERAL MERCHANDISE AND MINERALS, 1880-1910 *Yearly Averages during each Decade*

Decade.	Goods Traffic per Ten of Population		
	General Merchandise.	Minerals.	Total. (A + B)
	(A)	(B)	(C)
	Tons	Tons	Tons.
1880—1889	21	52	73
1881—1890	21	53	74
1882—1891	21	54	75
1883—1892	22	54	76
1884—1893	22	54	76
1885—1894	22	55	77
1886—1895	22	57	79
1887—1896	23	58	81
1888—1897	24	59	83
1889—1898	24	60	84
1890—1899	25	62	87
1891—1900	25	64	89
1892—1901	26	65	91
1893—1902	26	67	93
1894—1903	26	27	70
1895—1904	26	28	72
1896—1905	26	28	74
1897—1906	26	29	77
1898—1907	26	30	79
1899—1908	25	30	81
1900—1909	25	30	82
1901—1910	24	30	84

Based upon Tables 1 and 17.

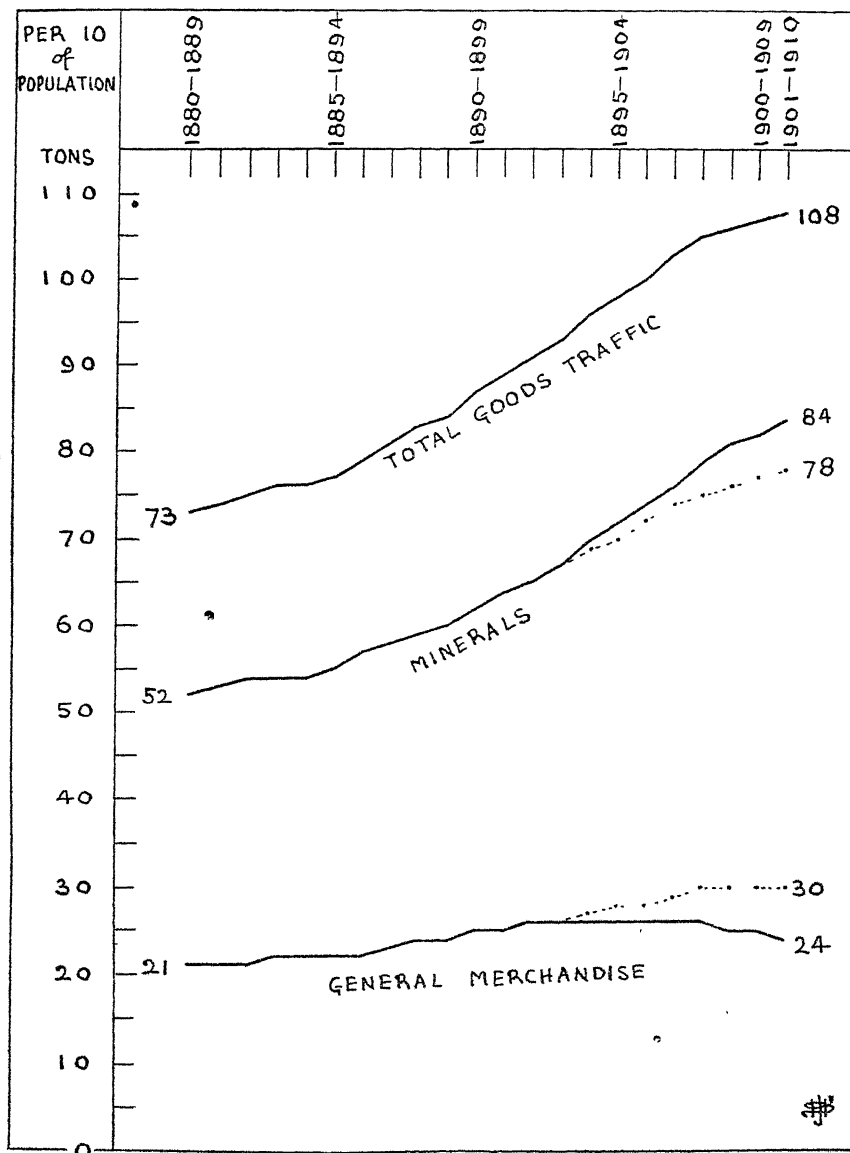
For the explanation of these amended results (a) see the Note to Table 17.

Note.—As is clearly disclosed above, the greater part of the large increase in our Goods Traffic during 1880-1910, relatively to our population, has occurred in the conveyance of Minerals (Coal, etc.), not in the conveyance of General Merchandise. If it were possible to deduct from column (A) the weight of our greatly increased imported General Merchandise that has been conveyed by rail in the United Kingdom, it is probable that our home-produced General Merchandise included in column (A) would show an even smaller rise than the rise in this table.

large and increased quantity of imported merchandise conveyed by our railways. Thus leaving our Home-produced Merchandise upon a level appreciably lower than that shown in Table 19.

OUR INCREASE MAINLY IN MINERALS 49

DIAGRAM IX—SEE TABLE 18. UNITED KINGDOM. GOODS TRAFFIC BY RAILWAYS, PER TEN OF THE POPULATION, DISTINGUISHING GENERAL MERCHANDISE AND MINERALS, 1880-1910. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Note.—The amended results (a) in Table 18, for the last 8 decades, as regards "Minerals" and "General Merchandise," are shown by the dotted part of the two curves. The solid black lines represent the Board of Trade figures. Observe that the increase in our Railway Goods Traffic is mainly due to "Minerals" (principally Coal), not to "General Merchandise."

TABLE 19.—UNITED KINGDOM: SHOWING HOW MUCH OF EACH 1000 TONS OF GOODS TRAFFIC BY RAIL WAS GENERAL MERCHANDISE AND MINERALS RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade*

Decade.	Proportion per 1000 Tons of Goods Traffic.		
	General Merchandise.	Minerals.	Total.
	Tons.	Tons	Tons.
1880—1889	286	714	1000
1881—1890	286	714	1000
1882—1891	287	713	1000
1883—1892	288	712	1000
1884—1893	286	714	1000
1885—1894	286	714	1000
1886—1895	285	715	1000
1887—1896	286	714	1000
1888—1897	286	714	1000
1889—1898	286	714	1000
1890—1899	285	715	1000
1891—1900	284	716	1000
1892—1901	284	716	1000
1893—1902	283	717	1000
1894—1903	274	726	1000
1895—1904	270	730	1000
1896—1905	263	737	1000
1897—1906	256	744	1000
1898—1907	248	752	1000
1899—1908	240	760	1000
1900—1909	233	767	1000
1901—1910	228	772	1000

Based upon Table 17.

For the explanation of these amended results (a) see the Note to Table 17.

Our leading industry, Agriculture, has been dealt with in some aspects. Table 20 shows another view. It discloses the two main sources of the wheat consumed in the United Kingdom. These sources are Home-grown and Imported wheat.

The tendencies are clearly marked. There has been a large fall in the supply of our Home-grown wheat and a large rise in the supply of our Imported wheat. These results mean that at the present time the entire Wheat Production of the United Kingdom suffices merely for the consumption of wheat in Scotland and in Ireland. The

WHEAT CONSUMPTION

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whole population of England and Wales is equivalently dependent for its wheat, for its bread, upon our imports of wheat.

TABLE 20.—UNITED KINGDOM: THE CONSUMPTION OF WHEAT GRAIN AND OF WHEAT FLOUR, STATED IN THE EQUIVALENT OF WHEAT GRAIN, 1880-1910. *Yearly Averages during each Decade*

Decade.	Consumption of Wheat in the United Kingdom.		
	Net Home-grown.	Net Imported.	Total. (a + b).
	(a)	(b)	(c)
	Million Cwts.	Million Cwts.	Million Cwts.
1880—1889	40.0	75.2	115.2
1881—1890	40.2	76.6	116.8
1882—1891	40.4	78.4	118.8
1883—1892	39.3	79.9	119.2
1884—1893	37.9	80.8	118.7
1885—1894	36.8	83.8	120.6
1886—1895	34.5	86.4	120.9
1887—1896	34.2	89.7	123.9
1888—1897	33.1	90.6	123.7
1889—1898	33.1	91.9	125.0
1890—1899	32.6	93.8	126.4
1891—1900	31.4	95.4	126.8
1892—1901	30.2	96.6	126.8
1893—1902	30.0	97.9	127.9
1894—1903	29.8	100.3	130.1
1895—1904	28.6	102.4	131.0
1896—1905	29.6	103.2	132.8
1897—1906	29.6	104.5	134.1
1898—1907	29.5	107.2	136.7
1899—1908	28.2	108.6	136.8
1900—1909	27.5	110.2	137.7
1901—1910	27.3	111.8	139.1

Based upon Cd. 4954, page 176.

One Cwt. of wheat equals 112 lbs. of wheat. One Quarter of wheat equals 480 lbs. (not 28 lbs.). Thus, to convert Cwts. to Quarters, multiply Cwts. by .2333.

If it were possible to make our population realise the grave danger that must accompany such a condition as that just stated, if it were possible to make them understand that our great national blunder, called Free Trade, is the cause of this condition of national danger, no further argument nor evidence would be needed to open the eyes of our

population to the grave national injury that has been caused by our present trade policy: it would be at once abandoned. As it is, a loaf of bread is bought and eaten without a thought as to the source whence the wheat came. And while we continue upon our present danger-line, the danger increases

TABLE 21.—UNITED KINGDOM: CONSUMPTION OF WHEAT, SHOWING THE PERCENTAGE OF HOME-GROWN WHEAT AND OF IMPORTED WHEAT RESPECTIVELY, 1880-1910. SHOWING ALSO THE NUMBER OF WEEKS IN EACH YEAR'S BREAD CONSUMPTION THAT WAS SUPPLIED BY OUR HOME-GROWN WHEAT. *Yearly Averages during each Decade*

Decade.	Net Home-grown Wheat.	Net Imported Wheat.	Total Consumption of Wheat.	Home-grown Wheat Supplied our Bread for
	Per cent.	Per cent.	Per cent.	Weeks
1880—1889	35	65	100	18·0
1881—1890	34	66	100	17·9
1882—1891	34	66	100	17·7
1883—1892	33	67	100	17·2
1884—1893	32	68	100	16·6
1885—1894	31	69	100	15·9
1886—1895	29	71	100	14·8
1887—1896	28	72	100	14·4
1888—1897	27	73	100	13·9
1889—1898	26	74	100	13·8
1890—1899	26	74	100	13·4
1891—1900	25	75	100	12·9
1892—1901	24	76	100	12·4
1893—1902	23	77	100	12·2
1894—1903	23	77	100	11·9
1895—1904	22	78	100	11·3
1896—1905	22	78	100	11·6
1897—1906	22	78	100	11·5
1898—1907	22	78	100	11·2
1899—1908	21	79	100	10·7
1900—1909	20	80	100	10·4
1901—1910	20	80	100	10·2

Based upon Table 20.

Note.—Wheat grown in the United Kingdom sufficed, in the last decade, to supply the United Kingdom with wheat for 10·2 weeks of the 52 weeks in each year. Our wheat supply for the other 41·8 weeks depended upon our imports of wheat. This reliance upon imported wheat has constantly increased, and is still increasing.

year by year;—the danger in peace-time of a further advanced cost of food; the danger in war-time of not being able to get the food. And what is true of Bread applies also to many other of our food-articles for which, owing to the

decay of our leading home productive industry, we yearly become more and more dependent upon our oversea supply.

Table 21 contains a further illustration of the danger to which we are exposed. It shows that the wheat produced in the United Kingdom during the last decade sufficed to supply the population of the Kingdom with bread for only ten weeks in each year, and this proportion falls steadily.

Table 22 throws a useful light upon a vital national question* that of late years has been degraded from its

TABLE 22.—UNITED KINGDOM: CONSUMPTION OF WHEAT PER HEAD OF POPULATION, 1880-1910. *Yearly Averages during each Decade*

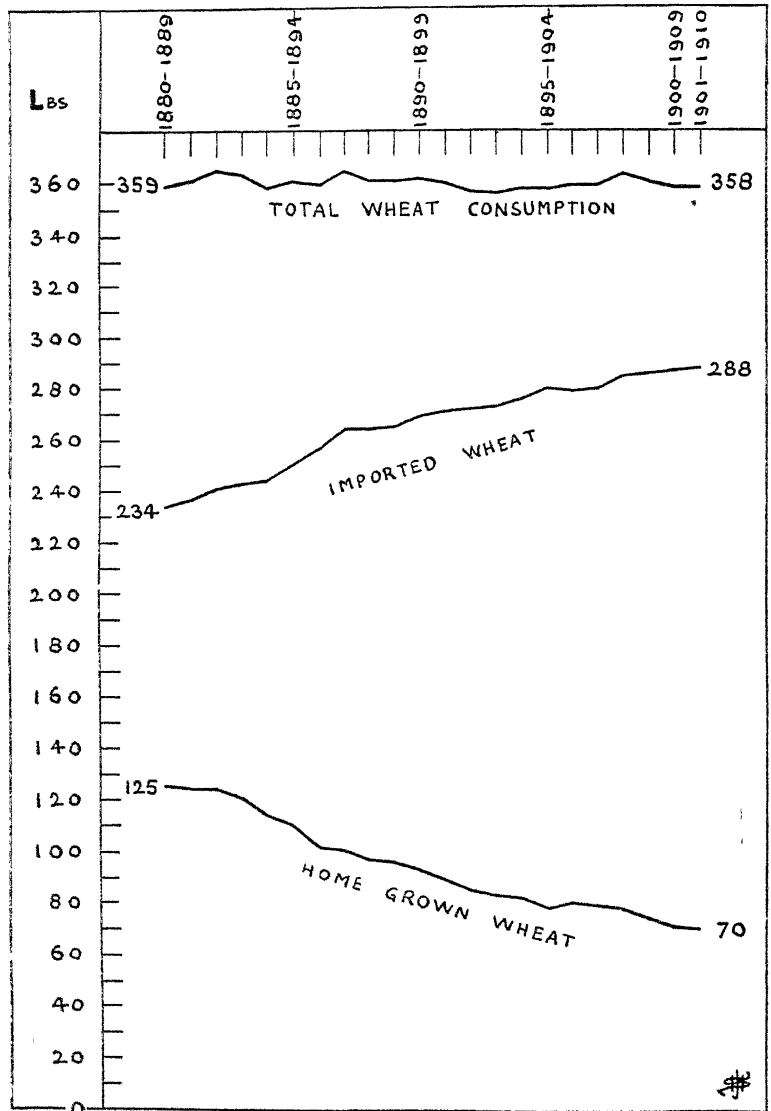
Decade.	Wheat Consumption per Head of Population.		
	Net Home-grown Wheat.	Net Imported Wheat.	Total Consumption.
	Lbs.	Lbs	Lbs
1880—1889	125	234	359
1881—1890	124	237	361
1882—1891	124	241	365
1883—1892	120	243	363
1884—1893	114	244	358
1885—1894	110	251	361
1886—1895	102	257	359
1887—1896	101	264	365
1888—1897	97	264	361
1889—1898	96	265	361
1890—1899	93	269	362
1891—1900	89	271	360
1892—1901	85	272	357
1893—1902	83	273	356
1894—1903	82	276	358
1895—1904	78	280	358
1896—1905	80	279	359
1897—1906	79	280	359
1898—1907	78	285	363
1899—1908	74	286	360
1900—1909	71	287	358
1901—1910	70	288	358

Based upon Tables 1 and 20.

As One Quarter of Wheat equals 480 lbs. (not 28 lbs.), and as the Yearly Wheat Consumption per Head of the Population during 1880-1910 has been nearly constantly 360 lbs., it follows that the Yearly Wheat Consumption per Head of Population is less than One Quarter of Wheat per Year.

rightful level of a national and imperial problem to the low level of party politics: a matter upon which has been

DIAGRAM X.—SEE TABLE 22 UNITED KINGDOM: THE CONSUMPTION OF WHEAT PER HEAD OF POPULATION, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Note.—A notable fact shown above is that the yearly Wheat Consumption per Head of the Population of the United Kingdom during 1880-1910 has averaged 360 lbs. : less than One Quarter of wheat per head per year.

Our greatly increased dependence upon Imported Wheat is also plainly shown.

spent a mass of the grossest misrepresentation of facts to the people which beggars description, and that is beneath the notice of any student of the industrial and economic conditions of this country.

TABLE 23.—UNITED KINGDOM: IMPORTS OF WHEAT GRAIN AND OF WHEAT MEAL AND FLOUR, EXPRESSED IN THE EQUIVALENT OF WHEAT GRAIN, FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade*

Decade.	Imports of Wheat from		
	Foreign Countries.	British Colonies.	All Sources.*
	Million Cwts.	Million Cwts.	Million Cwts.
1880—1889	61.1	15.0	76.1
1881—1890	62.2	15.3	77.5
1882—1891	63.4	15.9	79.3
1883—1892	64.4	16.4	80.8
1884—1893	65.5	16.2	81.7
1885—1894	68.7	16.0	84.7
1886—1895	71.4	15.8	87.2
1887—1896	75.4	15.0	90.4
1888—1897	77.1	14.2	91.3
1889—1898	78.0	14.7	92.7
1890—1899	79.2	15.4	94.6
1891—1900	81.1	15.2	96.3
1892—1901	82.3	15.1	97.4
1893—1902	83.1	15.6	98.7
1894—1903	83.5	17.4	100.9
1895—1904	82.4	20.7	103.1
1896—1905	80.6	23.2	103.8
1897—1906	79.2	25.9	105.1
1898—1907	78.5	29.3	107.8
1899—1908	79.2	30.1	109.3
1900—1909	78.2	32.5	110.7
1901—1910	76.3	36.5	112.8

Based upon Cd. 4954, page 174; Cd. 5296, page 143; 43-xi, page 28.

* These quantities are throughout slightly higher than those in Table 20, column (b). The latter quantities exclude our small exports of imported wheat.

In Table 22 we see set out the wheat consumption per head of the population of the United Kingdom, distinguishing the two main sources of supply. The most notable fact disclosed in Table 22 is that throughout this long period our wheat consumption has remained almost constantly at an average of 360 pounds weight of wheat, annually, per

head of our population—less than One Quarter of wheat per head per year. And yet a proposed import duty of Two Shillings per Quarter of foreign wheat imported, Colonial wheat not to be taxed, has been made the excuse for grossly deluding our population that is not able to ascertain for itself the true facts of the case.

Table 23 shows our imported wheat distinguished as to wheat from foreign countries and from British colonies respectively.

Our supply from foreign countries attained its maximum in the decade 1894-1903. Since then our imports of foreign wheat have appreciably fallen, and our imports of British colonial wheat have correspondingly increased.

TABLE 24.—UNITED KINGDOM: THE PERCENTAGE PROPORTION OF WHEAT IMPORTED FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*

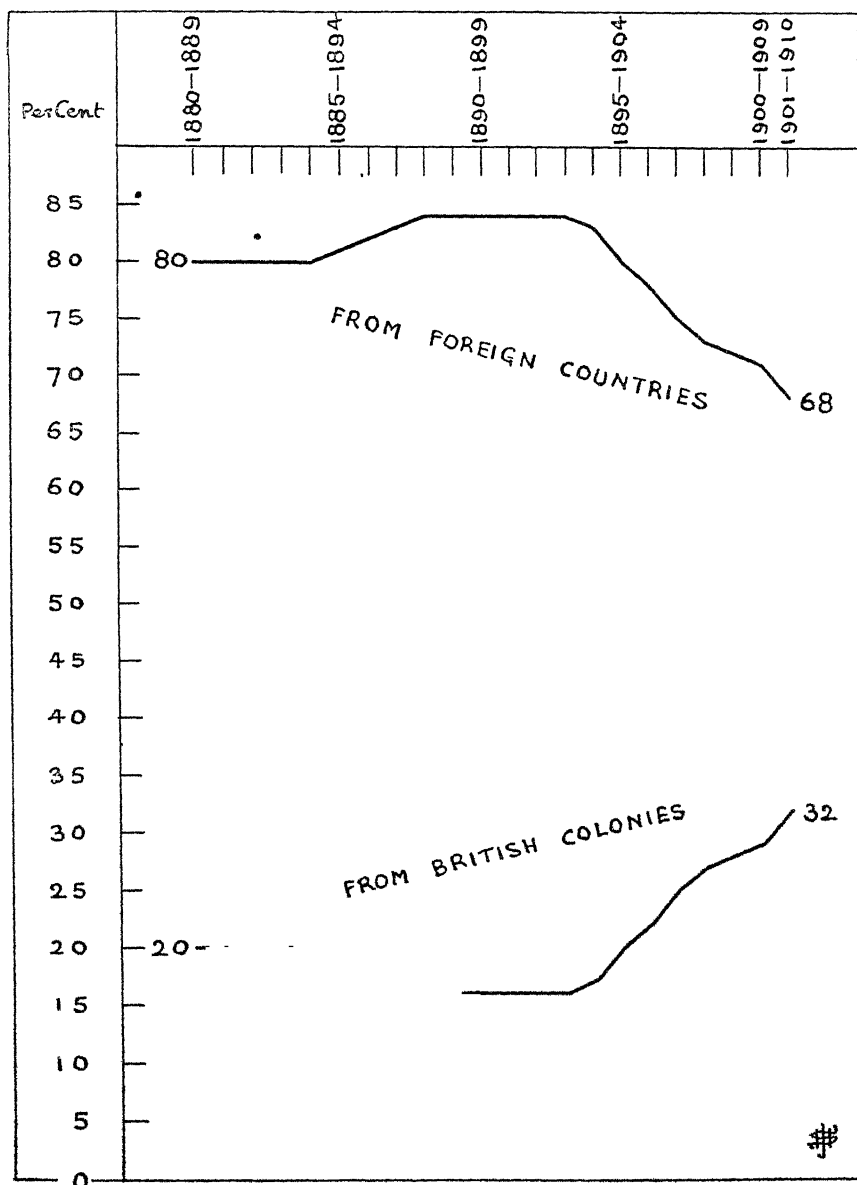
Decade.	Percentage Proportion of our Wheat Imports from		
	Foreign Countries.	British Colonies.	All Sources.
	Per cent.	Per cent.	Per cent.
1880—1889	80	20	100
1881—1890	80	20	100
1882—1891	80	20	100
1883—1892	80	20	100
1884—1893	80	20	100
1885—1894	81	19	100
1886—1895	82	18	100
1887—1896	83	17	100
1888—1897	84	16	100
1889—1898	84	16	100
1890—1899	84	16	100
1891—1900	84	16	100
1892—1901	84	16	100
1893—1902	84	16	100
1894—1903	83	17	100
1895—1904	80	20	100
1896—1905	78	22	100
1897—1906	75	25	100
1898—1907	73	27	100
1899—1908	72	28	100
1900—1909	71	29	100
1901—1910	68	32	100

Based upon Table 23.

SOURCES OF IMPORTED WHEAT

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DIAGRAM XI.—SEE TABLE 24 UNITED KINGDOM SHOWING THE PERCENTAGE PROPORTION OF WHEAT IMPORTED FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, 80 per cent. of our Imported Wheat came from Foreign Countries, and 20 per cent. from British Colonies; during the last decade, the latter proportion had risen to 32 per cent.

This matter is also dealt with in Table 24. There has been a large fall in the proportion of our wheat from foreign countries, and a large rise in the proportion of our wheat from British Colonies.

Table 25 shows the price of the 4 lbs. loaf in London during the period 1800-1910. It throws much light upon this matter of the price of bread; and if careful and laborious investigation of fact should happen to have any weight as opposed to ignorance and to gross misrepresentation of fact, then Table 25 may be useful.

Some clearly marked and broadly based results disclose themselves in Table 25.

We see that for many years before the repeal of the Corn Laws in 1846 the price of the 4 lbs. loaf was falling. We see also that for many years after the repeal of the Corn Laws in 1846 the price of the 4 lbs. loaf remained at its then price, or even rose in price. It was not until the decade 1878-1887 that the price fell below sevenpence per loaf. The price did not fall below sixpence until the decade 1885-1894. Since then the price has remained under sixpence, with a rising tendency in recent years.

Thus although, as previous tables have clearly shown, our great national blunder, called Free Trade, at once began to destroy our leading home productive industry, the adoption of this mistaken trade policy did not bring with it the cheap loaf. That has been caused by a world-extension of wheat-growing area, by vastly increased means of mechanical sea-carriage, and notably by a great decrease in the price of sea-carriage of wheat to these islands.

Any person looking at Table 25 who might be wholly unaware that in the year 1846 our Corn Laws were repealed and that the decay of our leading home industry was then set in action, would remain quite ignorant of these two facts. Because he would see a more or less steady fall in the price of the loaf throughout the whole period. And as a matter of fact, I may point out that the price of the loaf fell to a

PRICE OF BREAD, 1800-1910

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greater extent before 1846 than it has fallen since 1846. See Table 25.

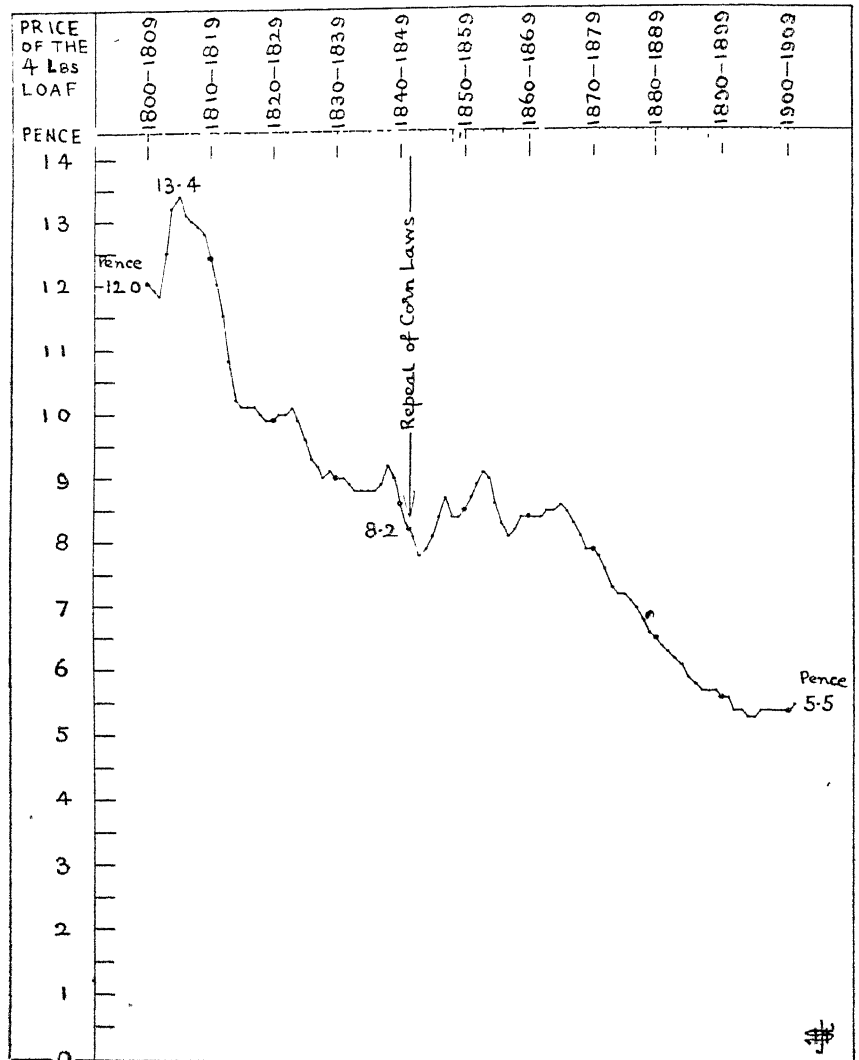
TABLE 25—THE PRICE OF BREAD PER 4 LBS LOAF IN LONDON, DURING THE 111 YEARS, 1800-1910. *Yearly Averages during each Decade.*

Decade.	Price of Bread.	Decade.	Price of Bread.	Decade.	Price of Bread.
	Pence.		Pence		Pence
1800—1809	12·0	1834—1843	8·8	1868—1877	8·1
1801—1810	11·9	1835—1844	8·8	1869—1878	7·9
1802—1811	11·8	1836—1845	8·8	1870—1879	7·9
1803—1812	12·5	1837—1846	8·9	1871—1880	7·8
1804—1813	13·2	1838—1847	9·2	1872—1881	7·6
1805—1814	13·4	1839—1848	9·0	1873—1882	7·3
1806—1815	13·1	1840—1849	8·6	1874—1883	7·2
1807—1816	13·0	1841—1850*	8·3*	1875—1884	7·2
1808—1817	12·9	1842—1851*	8·1*	1876—1885	7·1
1809—1818	12·8	1843—1852	7·8	1877—1886	7·0
1810—1819	12·4	1844—1853	7·9	1878—1887	6·8
1811—1820	12·0	1845—1854	8·1	1879—1888	6·6
1812—1821	11·5	1846—1855	8·4	1880—1889	6·5
1813—1822	10·8	1847—1856	8·7	1881—1890	6·4
1814—1823	10·2	1848—1857	8·4	1882—1891	6·3
1815—1824	10·1	1849—1858	8·4	1883—1892	6·2
1816—1825	10·1	1850—1859	8·5	1884—1893	6·1
1817—1826	10·1	1851—1860	8·7	1885—1894	5·9
1818—1827	10·0	1852—1861	8·9	1886—1895	5·8
1819—1828	9·9	1853—1862	9·1	1887—1896	5·7
1820—1829	9·9	1854—1863	9·0	1888—1897	5·7
1821—1830	10·0	1855—1864	8·6	1889—1898	5·7
1822—1831	10·0	1856—1865	8·3	1890—1899	5·6
1823—1832	10·1	1857—1866	8·1	1891—1900	5·6
1824—1833	9·9	1858—1867	8·2	1892—1901	5·4
1825—1834	9·6	1859—1868	8·4	1893—1902	5·4
1826—1835	9·3	1860—1869	8·4	1894—1903	5·3
1827—1836	9·2	1861—1870	8·4	1895—1904	5·3
1828—1837	9·0	1862—1871	8·4	1896—1905	5·4
1829—1838	9·1	1863—1872	8·5	1897—1906	5·4
1830—1839	9·0	1864—1873	8·5	1898—1907	5·4
1831—1840	9·0	1865—1874	8·6	1899—1908	5·4
1832—1841	8·9	1866—1875	8·5	1900—1909	5·4
1833—1842	8·8	1867—1876	8·3	1901—1910	5·5

This table is based upon Board of Trade volume Cd. 2145, pages 9-10, for the years 1800-1903; upon volume Cd. 4954, page 192, for the years 1904-1908; upon the Board of Trade Labour Gazette for the years 1909-1910.

* The Corn Laws were repealed in the year 1846. The Price of Bread began to fall long before the repeal of the Corn Laws, and it rose and continued high for many years after the repeal of the Corn Laws. The common opinion that our so-called "Free Trade" was accompanied by Cheap Bread is wholly mistaken. Moreover, the Price of Bread fell to a greater extent before the repeal of the Corn Laws than it fell after the repeal of the Corn Laws. See above table.

DIAGRAM XII—SEE TABLE 25. THE PRICE OF BREAD, PER 4 LBS., IN LONDON DURING THE 111 YEARS, 1800-1910 *Yearly Averages during each of 102 Decades.*



When looking at the Rise or Fall in the curve, keep the base-line 0 in sight.

The above curve shows the average yearly price in pence of the 4 lbs. loaf in London during each of the 102 consecutive decades from 1800-1809 to 1901-1910. Each tenth decade is dated at the top of the chart. The intervening decades are not dated.

Observe that the Price of the Loaf fell long before the repeal of the Corn Laws in the year 1846. The price fell to a greater extent before the repeal of the Corn Laws than it fell afterwards. The price of the loaf remained high, and rose for many years after the repeal of the Corn Laws in 1846.

Look at this. From 1800 up to the decade 1884-1893, the price of the loaf was sixpence or more; it was sevenpence or more from 1800 up to the decade 1877-1886; it was ninepence in 1828-1837, and ninepence in 1854-1863; and so on.

Can anyone assert that in those periods when the price of the 4 lbs. loaf was sixpence to eightpence or even ninepence, there was anything approaching the terrible conditions of starvation and misery that have been asserted to be the sure accompaniments of an import duty of Two Shillings per Quarter upon foreign corn imported by us?—an import duty that at an outside estimate could not possibly add more than One Farthing to the price of the loaf, and which would probably not cause even this addition. Investigation of Wheat Prices shows that wheat can and does rise by at least Five Shillings per Quarter without affecting the price of the 4 lbs. loaf. During the last few years, the price of bread has risen by much more than One Farthing, owing, in part, to a world-shortage of wheat. And unless we take action to secure, by means of the policy of Imperial Preference in trade, the opening up of new wheat-producing areas in British Oversea Dominions, so as to increase the supply of wheat available for consumption specially in the United Kingdom, it is probable that when future bread-prices can be added to Table 25, the result will be to show an extension of the increase in price which is already showing itself in the last part of Table 25.*

The evidence has been accumulating from many different and independent investigations of the conditions of our Home Production and industries that the latter have not been progressing simultaneously with the recent expansion of our foreign commerce. Indeed, a survey of the preceding pieces of investigation tends towards detecting non-progress or

* Bear in mind that Table 25 shows the average price of the loaf during each decade. The increased price of bread during recent years is merged in the decennial results of Table 25, and for that reason does not fully show itself in the table. See Appendix F, Table 256.

even regress in some important sections of our Home Production, rather than towards any progress.

Simultaneously with the expansion of our Foreign Commerce there has been an increase in the money-wealth of the country, at any rate as regards the financial and commercial sections of our population, as distinct from the productive and industrial sections of our population.

Table 26 shows the average amount due to each Depositor in the Post Office Savings Banks of this Kingdom.

TABLE 26—UNITED KINGDOM: POST OFFICE SAVINGS BANK. THE AVERAGE AMOUNT DUE TO EACH DEPOSITOR AT THE END OF EACH YEAR, 1894-1909

Year.	The Average Amount Due to each Depositor.			
	In England and Wales.	In Scotland.	In Ireland.	In the United Kingdom.
	£ s d	£ s d	£ s d	£ s d
1894	14 12 2	9 15 1	19 2 11	14 12 3
1895	15 2 6	10 18 4	19 19 7	15 3 4
1896	15 14 0	12 0 0	20 7 7	15 15 1
1897	15 18 4	12 18 5	20 15 10-	16 0 2
1898	16 0 4	13 9 8	21 2 5	16 2 9
1899	16 0 10	13 12 8	21 5 2	16 3 5
1900	15 18 5	13 15 0	21 2 1	16 1 3
1901	15 16 5	13 17 4	21 2 0	15 19 6
1902	15 12 11	13 19 2	21 6 7	15 16 8
1903	15 6 5	13 16 3-	21 7 4	15 10 10
1904	15 2 1	13 14 1	21 3 8	15 6 8
1905	15 0 7	13 14 10	21 2 9	15 5 4
1906	14 17 4	13 8 2	20 18 2	15 1 11
1907	14 10 8	12 16 1	20 2 7	14 14 7
1908	14 7 7	12 18 3	19 16 6	14 11 7
1909	14 4 2	12 19 8	19 16 0	14 8 8
Result	A constant Fall since 1899	A Fall since 1902	A Fall since 1903	A constant Fall since 1899

Based upon Blue Book Cd. 4805, pages 324-325; Cd. 5296, pages 324-325.

Observe that in England and Wales, the part of the United Kingdom mainly affected by internal trade, the Fall has been continuous since the year 1899.

It is notable that the recent years of vastly increased Foreign Commerce have been accompanied by the fall shown in Table 26. This fall is common to each part of the United Kingdom.

As regards England and Wales, the fall began in the year 1899, and has been continuous ever since.

In Scotland, the fall began in the year 1902, and has been nearly continuous.

In Ireland, the fall began in 1903, and since then has been continuous.

It is worth noting that the fall has been materially larger in England and Wales than in Scotland or in Ireland. We have to bear in mind that England is that part of the United Kingdom which is most sensitive to any non-prosperous condition of our Home Production and Industries.

In Table 27 we have the same class of facts relating to Trustee Savings Banks.

TABLE 27.—UNITED KINGDOM: TRUSTEE SAVINGS BANKS. THE AVERAGE AMOUNT DUE TO EACH DEPOSITOR AT THE END OF EACH YEAR, 1894-1909.

Year.	The Average Amount Due to each Depositor.														
	In England.			In Wales.			In Scotland.			In Ireland.			In the United Kingdom.		
	£	s	d	£	s	d	£	s	d	£	s	d	£	s	d
1894	28	17	4	34	13	1	29	11	5	42	0	10	29	11	1
1895	29	11	5	34	8	8	28	18	8	43	7	6	29	17	8
1896	29	19	6	34	19	9	32	8	4	44	11	11	31	4	4
1897	30	8	9	35	8	9	32	19	4	45	9	7	31	14	8
1898	30	10	5	35	10	0	33	9	9	46	4	1	31	19	4
1899	30	11	2	35	19	1	33	15	0	46	16	1	32	2	0
1900	30	3	9	36	9	5	33	3	0	46	7	4	31	13	4
1901	29	16	3	37	5	1	33	10	0	46	11	4	31	11	0
1902	29	8	10	36	15	2	33	17	6	46	16	6	31	8	8
1903	28	18	11	36	17	4	33	16	1	46	16	4	31	1	11
1904	28	7	7	36	0	0	33	13	4	46	10	7	30	13	4
1905	28	0	2	35	3	10	33	14	11	46	7	5	30	8	10
1906	27	12	11	34	14	8	33	7	10	46	4	6	30	2	0
1907	26	18	10	35	14	10	32	4	9	45	17	7	29	5	3
1908	26	6	8	35	17	4	32	8	10	45	10	10	28	18	6
1909	26	0	7	35	2	7	33	0	7	45	7	6	28	18	3
Result {	A constant Fall since 1899			A Fall since 1901			A Net Rise			A Net Rise			A constant Fall since 1899		

Based upon Blue Book Cd. 4805, pages 326-327; Cd. 5296, pages 326-327.

Observe that in England, the part of the United Kingdom mainly affected by internal trade, the Fall has been continuous since the year 1899.

In each division of the Kingdom there has been a fall during the recent years of increased foreign commerce. The money-value gained by our traders, dealers, and agents in foreign commerce does not adequately reach our productive and industrial population.

In Table 27, the fall in England began in the year 1899. It has been large and continuous—much larger than the fall in other and smaller parts of the Kingdom whose prosperity is not so largely dependent upon our Home Production as is England's prosperity.

Table 28 throws more light upon this matter of industrial savings.

TABLE 28. — UNITED KINGDOM: POST OFFICE SAVINGS BANKS.
AMOUNT RECEIVED FROM DEPOSITORS AND AMOUNT PAID TO
DEPOSITORS, 1894-1909

Year.	Amount Received from Depositors	Amount Paid to Depositors	Excess of "Received from" over "Paid to" Depositors. (a - b).	Excess of "Paid to" over "Received from" Depositors. (b - a).
	(a)	(b)	(c)	(d)
	Million £	Million £.	£	£
1894	30.44	23.79	6,650,000	.
1895	32.08	25.70	6,380,000	.
1896	36.26	28.49	7,770,000	..
1897	35.76	30.62	5,140,000	.
1898	37.36	32.95	4,410,000	.
1899	39.12	35.17	3,950,000	...
1900	40.52	38.23	2,290,000	..
1901	41.45	39.89	1,560,000	.
1902	42.22	41.40	820,000	..
1903	40.86	42.79	...	1,930,000
1904	40.61	41.90	...	1,290,000
1905	42.30	42.10	200,000	...
1906	43.98	43.76	220,000	...
1907	44.22	46.43	.	2,210,000
1908	44.77	45.40	.	630,000
1909	45.30	45.22	80,000	...

Based upon Cd. 4805, page 325, Cd. 5296, page 325.

During recent years, the Post Office Savings Banks have been paying larger amounts to depositors than the amounts received from depositors. In earlier years, there was always a considerable excess of receipts over payments.

Until recent years, the amount paid into the Post Office Savings Banks annually exceeded the amount paid out to depositors.

But during recent years there has been a notable change. The Post Office Savings Banks have been paying out yearly more money than has come in to them yearly. And when we look at Table 29, which relates to England and Wales,

TABLE 29.—ENGLAND AND WALES: POST OFFICE SAVINGS BANKS.
AMOUNT RECEIVED FROM DEPOSITORS AND AMOUNT PAID TO DEPOSITORS, 1894-1909.

Year	Amount Received from Depositors. (a)	Amount Paid to Depositors. (b)	Excess of "Received from" over "Paid to" Depositors (a - b). (c)	Excess of "Paid to" over "Received from" Depositors. (b - a). (d)
	Million £	Million £	£	£
1894	27.75	21.92	5,830,000	
1895	29.04	23.61	5,430,000	
1896	32.93	26.07	6,860,000	
1897	32.35	28.05	4,300,000	
1898	33.81	30.13	3,680,000	
1899	35.42	32.04	3,380,000	
1900	36.75	34.85	1,900,000	...
1901	37.64	36.39	1,250,000	...
1902	38.07	37.79	280,000	...
1903	36.75	38.96		2,210,000
1904	36.67	38.02	...	1,350,000
1905	38.13	38.22	...	90,000
1906	39.74	39.64	100,000	
1907	40.14	41.91	...	1,770,000
1908	40.27	41.06	..	790,000
1909	40.49	40.88	..	390,000

Based upon Cd. 4805, page 324; Cd. 5296, page 324.

The Excess in column (d) is greater for England and Wales than for the United Kingdom, as in Scotland and in Ireland this excess of "Paid to" over "Received from" depositors is smaller than it is in England. England is the part of the United Kingdom predominantly affected by the condition of our internal trade.

Note.—The Post Office Savings Banks are able to pay away more than they receive by reason of the interest credited to deposits.

this feature is appreciably more marked than it is in Table 28, which covers the United Kingdom. As already stated, England and Wales is the part of the United Kingdom

mainly affected by any non-prosperous condition of Home Production and Home Industries.

TABLE 30 —ENGLAND AND WALES. THE AVERAGE NUMBER OF PAUPERS IN RECEIPT OF RELIEF, 1880-1910 *Yearly Averages during each Decade.* (Not distinguishing Indoor Paupers)

Decade.	Number of Paupers.		
	Adult, Able-bodied, exclusive of Vagrants.	All Others	Total.
	Thousands.	Thousands	Thousands
1880—1889	102	686	788
1881—1890	99	685	784
1882—1891	98	683	781
1883—1892	97	680	777
1884—1893	97	678	775
1885—1894	98	679	777
1886—1895	99	681	780
1887—1896	99	684	783
1888—1897	99	686	785
1889—1898	99	687	786
1890—1899	100	690	790
1891—1900	100	692	792
1892—1901	100	694	794
1893—1902	100	699	799
1894—1903	100	706	806
1895—1904	100	711	811
1896—1905	101	719	820
1897—1906	102	726	828
1898—1907	103	733	836
1899—1908	104	740	844
1900—1909	106	747	853
1901—1910	108	756	864
Increase from first to last Decade	Thousands. 6	Thousands. 70	Thousands. 76
Rate of Increase from first to last Decade	Per cent. 6	Per cent. 10	Per cent. 10
Rate of Increase of Population of England and Wales from first to last Decade	Per cent. 27	Per cent. 27	Per cent. 27

Based upon Cd. 4954, page 227; Cd. 5296, page 361; Cd. 2174, page 195.

See Table 31 for Indoor Pauperism, the most costly class of Paupers.

Take the evidence of pauperism. It is probable that, with one or two exceptions, no one of the pieces of investiga-

tion here being shown would suffice by itself to justify the deduction of an unprosperous condition of Home Production and Industry. At any rate the justification would not be apparent to the mind of a student of our industrial and productive activities, however the isolated facts might be used by the mere clap-trap vote-catcher.

In Table 30 we see that, despite the fall in pauperism that has often been proclaimed a sure index of our industrial prosperity, there has been during recent years a material rise in Adult, Able-bodied paupers—men and women able to work but not able to find work.

Also, since the decade 1884-1893, there has been a large rise in "All Other" paupers, and a large rise since 1884-1893 in Total Paupers, although during the whole period covered by the table the rise in pauperism has been exceeded by the growth of population. But if recent years be taken, the rate of Total Pauperism has risen relatively to our population.

Table 30, based upon the official records commonly quoted, makes no distinction as to the most important and most costly class of Paupers, namely, Indoor Paupers. See Table 31.

If we desire to take the evidence of pauperism as regards the condition of our Home Production and Industries, it is essential separately to examine this important section of Indoor Pauperism, because the paupers in this section are persons who by stress of circumstance have been compelled to live more or less permanently in the workhouse.

In Table 31 we see a large and constant rise in Indoor Pauperism. And when we look at this feature relatively to our population, we see a large rise since the decade 1892-1901.

This is one of many other indications that during the present century, and despite the progress of our Foreign Commerce, the condition of our Home Production and Industry has not been prosperous.

The rise in the last column of Table 31 is most notable.

In connection with this matter of pauperism, we have to bear in mind that the method of Boarding-out child paupers that for some years has been operative, excludes all these

TABLE 31.—ENGLAND AND WALES: THE NUMBER OF INDOOR PAUPERS IN RECEIPT OF RELIEF ON 1ST JANUARY OF EACH YEAR, EXCLUDING CASUAL PAUPERS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Population of England and Wales.	Indoor Paupers.	
		Number.	No. per 100,000 of Population.*
	Millions	Thousands.	
1880—1889	27.1	192	711
1881—1890	27.4	193	706
1882—1891	27.7	193	699
1883—1892	28.0	194	693
1884—1893	28.3	195	688
1885—1894	28.6	197	689
1886—1895	29.0	200	690
1887—1896	29.3	202	690
1888—1897	29.6	204	689
1889—1898	30.0	206	687
1890—1899	30.3	208	686
1891—1900	30.6	210	685
1892—1901	31.0	212	685
1893—1902	31.4	216	688
1894—1903	31.7	219	691
1895—1904	32.1	222	694
1896—1905	32.5	226	698
1897—1906	32.8	231	704
1898—1907	33.2	236	712
1899—1908	33.6	242	719
1900—1909	34.0	248	731
1901—1910	34.4	255	743

Based upon Cd. 5296, pages 361, 384; Cd. 2174, page 195; Cd. 7875, page 244, Cd. 8604, page 258.

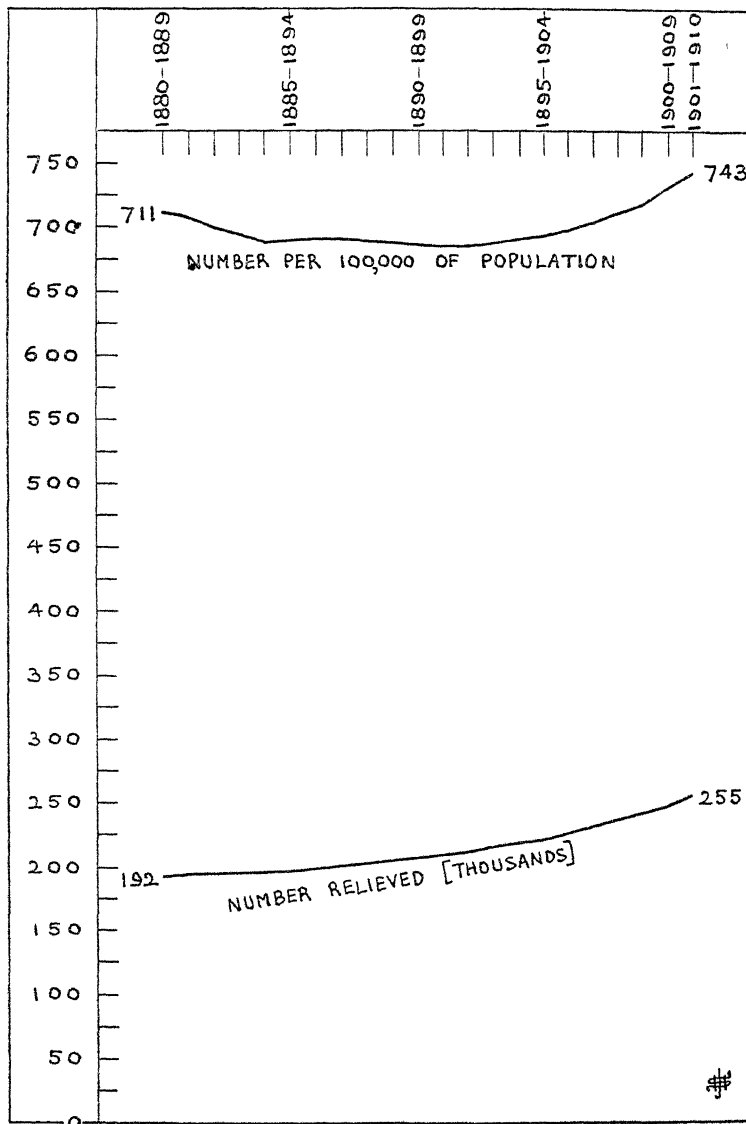
* The Pauper Children Boarded-out are not here included. Their inclusion would cause the rise in recent years to be larger than that here shown.

children from the records of paupers relieved in workhouses, and thus causes the quantity of pauperism as recorded to be less than it really is. The official rate of pauperism is appreciably less than the real rate.

Another matter is the cost of pauperism.

Although the too lavish expenditure upon workhouses

DIAGRAM XIII—SEE TABLE 31. ENGLAND AND WALES: SHOWING
INDOOR PAUPERISM, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line Q in sight.

Example.—The number of Indoor Paupers Relieved increased from 192,000 yearly to 255,000 yearly. The number of Indoor Paupers Relieved, per 100,000 of Population, increased from 711 to 743.

and upon the general keeping of paupers has of late years involved severe criticism, and the imprisonment of certain persons connected with the improper spending or keeping of public moneys collected by taxation for the maintenance

TABLE 32—ENGLAND AND WALES: COST OF PAUPERISM, 1880-1910.
Yearly Averages during each Decade

Decade.	Number of Paupers Relieved. Table 30. (a)	Cost of Pauperism.		
		Amount.	Cost per 10 Paupers in Column (a).	Cost per 1000 of Population of England and Wales.
	Thousands.	Million £	£	£
1880—1889	788	8·29	105	306
1881—1890	784	8·33	106	304
1882—1891	781	8·38	107	303
1883—1892	777	8·44	109	302
1884—1893	775	8·53	110	301
1885—1894	777	8·66	111	303
1886—1895	780	8·80	113	304
1887—1896	783	8·99	115	307
1888—1897	785	9·21	117	311
1889—1898	786	9·45	120	315
1890—1899	790	9·74	123	322
1891—1900	792	10·06	127	328
1892—1901	794	10·35	130	334
1893—1902	799	10·69	134	341
1894—1903	806	11·05	137	348
1895—1904	811	11·43	141	356
1896—1905	820	11·83	144	364
1897—1906	828	12·21	147	372
1898—1907	836	12·56	150	378
1899—1908	844	12·91	153	384
1900—1909	853	13·19	155	388
1901—1910	864	13·44	156	391

Based upon Cd. 4954, page 227.

Note.—The Cost of Pauperism includes any increased expenditure on account of prolongation of relief to paupers.

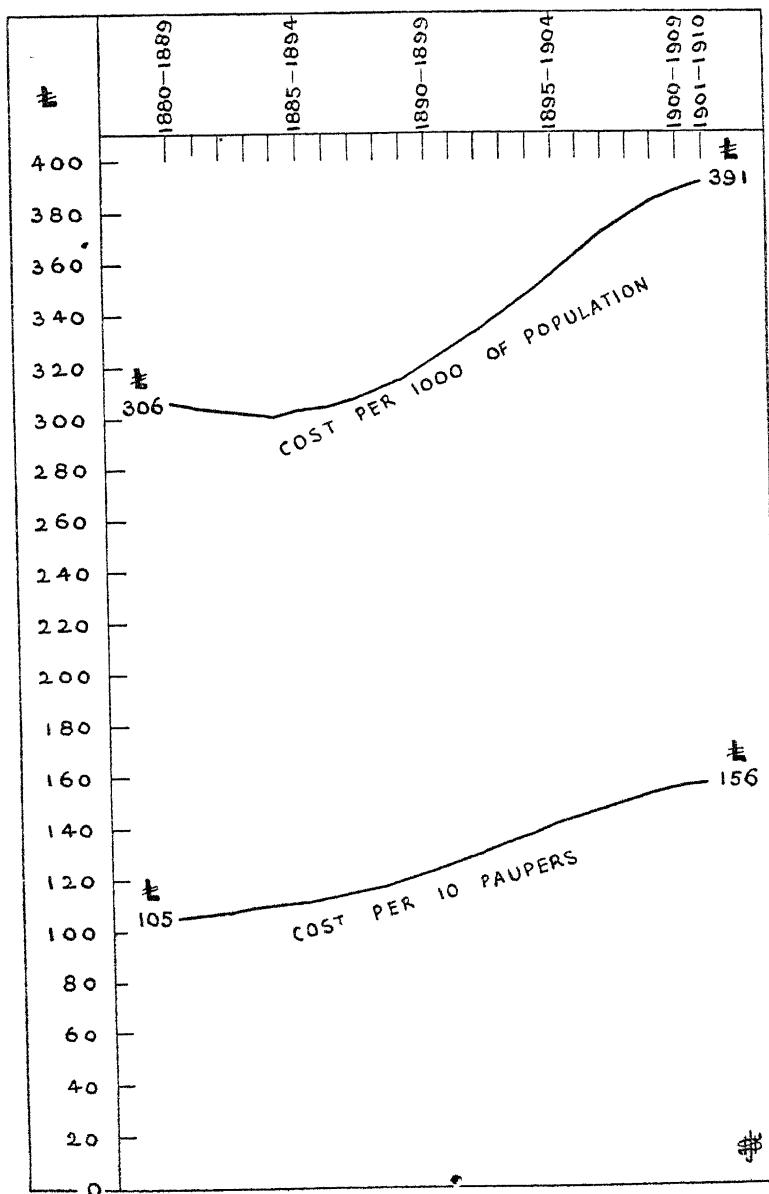
* In addition to this cost, Old Age Pensions are now costing 10 million £ yearly.

of paupers, yet we have to bear in mind that the great increase of Indoor pauperism, Table 31, is an important factor of the cost of pauperism. Also, the cost of pauperism includes not only the increased expenditure upon the too lavish housing of paupers, but also an increase of cost resulting from any prolongation of the duration of relief given to indoor

RISE IN COST OF PAUPERISM

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DIAGRAM XIV—SEE TABLE 32 ENGLAND AND WALES: COST OF PAUPERISM, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Cost of Pauperism, per 1000 of the Population, increased from £306 yearly to £391 yearly. The Cost of Pauperism, per 10 Paupers relieved, increased from £105 yearly to £156 yearly.

or to outdoor paupers. It also includes the cost of pauper children who are boarded-out. These facts are commonly overlooked.

The Cost of Pauperism in Table 32 has been wholly excessive, whether we gauge it by the cost per 10 paupers,

TABLE 33—UNITED KINGDOM. EMIGRATION FROM AND IMMIGRATION INTO THE UNITED KINGDOM OF BRITISH SUBJECTS TO AND FROM COUNTRIES OUT OF EUROPE, 1880-1910 *Yearly Averages during each Decade.*

Decade.	British Subjects.		
	Emigration from United Kingdom.	Immigration into United Kingdom.	Net Emigration from United Kingdom.
	Thousands	Thousands.	Thousands
1880—1889	257	77	180
1881—1890	256	83	173
1882—1891	253	88	165
1883—1892	246	92	154
1884—1893	235	95	140
1885—1894	227	98	129
1886—1895	224	100	124
1887—1896	217	102	115
1888—1897	204	103	101
1889—1898	190	103	87
1890—1899	179	103	76
1891—1900	174	102	72
1892—1901	169	101	68
1893—1902	169	102	67
1894—1903	174	103	71
1895—1904	186	106	80
1896—1905	193	107	86
1897—1906	210	110	100
1898—1907	235	117	118
1899—1908	247	125	122
1900—1909	261	129	132
1901—1910	284	136	148

Based upon Cd. 2337, pages 167-169; Cd. 5296, page 364; Cd. 5056-xi, pages 2-4.

or by the cost per 1000 of our population. By the former test, the rise has been continuous throughout 1880-1910; by the test of our population, the rise began in the decade 1885-1894, and has largely and continuously increased since then.

Taking all the facts as regards pauperism into consideration, it is not possible to deny that, at any rate during recent years, this condition has materially increased in its incidence and in its cost.

A study of the condition of our Home Production and Industries necessitates an examination of the emigration factor.

Table 33 shows that, beginning with the decade 1893-1902, there has been a large increase in the Net Emigration of

TABLE 34.—UNITED KINGDOM. EMIGRATION FROM AND IMMIGRATION INTO THE UNITED KINGDOM OF BRITISH SUBJECTS TO AND FROM COUNTRIES OUT OF EUROPE, PER 10,000 OF THE POPULATION OF THE UNITED KINGDOM, 1880-1910. *Yearly Averages during each Decade.*

Decade.	British Subjects, per 10,000 of the Population of the United Kingdom.		
	Emigration from United Kingdom	Immigration into United Kingdom.	Net Emigration from United Kingdom.
	Persons	Persons.	Persons
1880—1889	71	21	50
1881—1890	71	23	48
1882—1891	69	24	45
1883—1892	67	25	42
1884—1893	63	25	38
1885—1894	61	26	35
1886—1895	59	26	33
1887—1896	57	27	30
1888—1897	53	27	26
1889—1898	49	27	22
1890—1899	45	26	19
1891—1900	44	26	18
1892—1901	42	25	17
1893—1902	42	25	17
1894—1903	43	26	17
1895—1904	45	26	19
1896—1905	47	26	21
1897—1906	50	26	24
1898—1907	56	28	28
1899—1908	58	29	29
1900—1909	61	30	31
1901—1910	65	31	34

Based upon Tables 1 and 33.

British Subjects from the United Kingdom. And when we look at Table 34, which shows our Net Emigration

relatively to our population, we see that this has largely increased since the decade 1894-1903. The rate of Net Emigration has doubled itself since that date.

TABLE 35—UNITED KINGDOM AND GERMANY. EMIGRATION OF BRITISH SUBJECTS FROM THE UNITED KINGDOM TO COUNTRIES OUT OF EUROPE, AND EMIGRATION OF GERMAN SUBJECTS FROM GERMANY TO COUNTRIES OUT OF EUROPE, 1880-1910. *Yearly Averages during each Decade.*

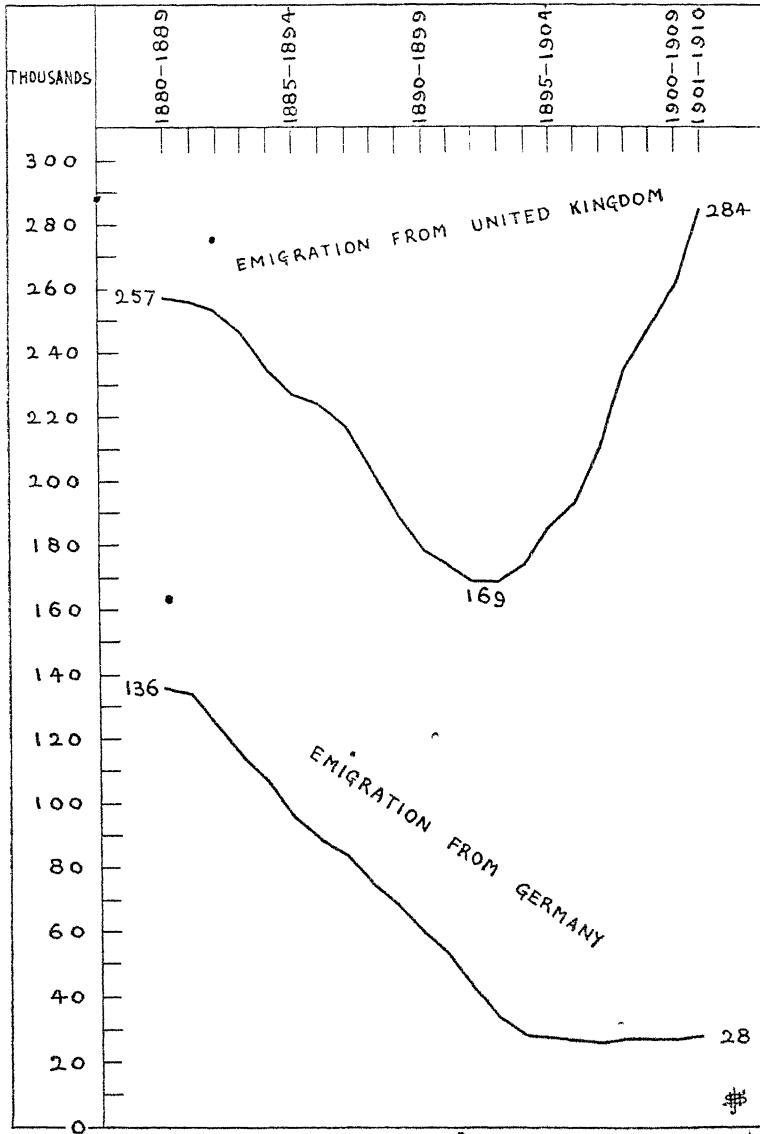
Decade.	Emigration of Native Subjects to Countries out of Europe.		Per 10,000 of the Population of	
	From United Kingdom. Table 33.	From Germany.	United Kingdom. Table 34.	Germany.
	Thousands.	Thousands	Persons	Persons
1880—1889	257	136	71	29
1881—1890	256	134	71	28
1882—1891	253	124	69	26
1883—1892	246	115	67	24
1884—1893	235	107	63	22
1885—1894	227	96	61	20
1886—1895	224	89	59	18
1887—1896	217	84	57	17
1888—1897	204	76	53	15
1889—1898	190	68	49	13
1890—1899	179	60	45	12
1891—1900	174	53	44	10
1892—1901	169	43	42	8
1893—1902	169	34	42	6
1894—1903	174	29	43	5
1895—1904	186	28	45	5
1896—1905	193	27	47	5
1897—1906	210	26	50	5
1898—1907	235	27	56	5
1899—1908	247	27	58	5
1900—1909	261	27	61	5
1901—1910	284	28	65	5

Based upon Cd. 2337, page 172 ; Cd. 5053, page 23.

The above are not Net Emigration results, as the latter are not recorded for Germany. And it is necessary to show, as above, the comparative records for each country. Allowing for Immigration into Germany (not recorded), it is probable that there is now no Net Emigration from Germany.

The British Subjects who emigrate from the United Kingdom go to countries that work upon the trade policy of protecting their Home Production and Industries against

DIAGRAM XV—SEE TABLE 35 UNITED KINGDOM AND GERMANY:
 EMIGRATION OF NATIVE SUBJECTS TO COUNTRIES OUT OF EUROPE,
 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—The Emigration of British Subjects from the United Kingdom increased from 257,000 yearly to 284,000 yearly, with a large rise in the more recent years. The Emigration of German Subjects from Germany decreased from 136,000 yearly to 28,000.

unfair foreign competition. The word "unfair" is here used because it accurately describes the condition of competition to which our present trade policy exposes our Home Production and Industries. Chapter XV. deals with this matter, and fully justifies the use of the word "unfair."

Table 35 compares the United Kingdom and Germany as regards emigration.

Looking at the population test in Table 35, we see a large rise in our rate of emigration since 1893-1902. We see also a large fall in Germany's rate of emigration throughout the period covered by Table 35 until it reaches the small rate of 5 per 10,000. If immigration into Germany were recorded, it is likely that this small rate of emigration of 5 per 10,000 of German Subjects would give place to no net emigration.

The United States, as does Germany, works by the trade policy of protecting its Home Production and Industries against unfair foreign competition—against imported foreign goods that pay nothing towards the upkeep of the market they enter. We in the United Kingdom admit vast quantities of foreign merchandise without making the latter contribute one penny towards the upkeep of the market of the United Kingdom.

Look at Table 36, and see one result of this difference between our trade policy and the trade policy of the United States. Industrial immigration into the United States has vastly increased since the decade 1892-1901, despite the stringent conditions wisely imposed upon intending immigrants. The United States will not admit, as we increasingly admit, the scum of European nations. And yet immigrants flock into the United States, and flock away from "Free Trade" England.

Another economic factor that bears upon the condition of Home Production and of home industrial prosperity is Strikes and Lock-outs—Trade Disputes.

Trade disputes may and do arise from causes quite outside

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of industrial prosperity or non-prosperity. For example the following causes of trade disputes cannot rightly be regarded

TABLE 36.—UNITED STATES: IMMIGRATION OF STEERAGE PASSENGERS INTO THE UNITED STATES FROM ALL COUNTRIES, EXCLUDING BRITISH NORTH AMERICAN DOMINIONS AND MEXICO, 1880-1910 SHOWING ALSO THE BRITISH SUBJECTS WHO LEFT THE UNITED KINGDOM TO LAND IN THE UNITED STATES *Yearly Averages during each Decade*

Decade.	Steerage Passengers into the United States.		British Subjects who emigrated from the United Kingdom to the United States.	
	Number.	Per 10,000 of the United States Population		
	Thousands	Persons	Thousands	
1880—1889	476	86	173	
1881—1890	485	85	172	
1882—1891	487	84	170	
1883—1892	476	80	166	
1884—1893	466	77	162	
1885—1894	449	73	157	
1886—1895	440	70	156	
1887—1896	440	68	150	
1888—1897	414	63	139	
1889—1898	383	57	127	A large
1890—1899	370	54	119	Fall, then
1891—1900	369	53	114	a very
1892—1901	362	51	109	large Rise
1893—1902	369	51	105	
1894—1903	410	55	103	
1895—1904	463	61	107	
1896—1905	540	70	106	
1897—1906	616	79	111	
1898—1907	721	91	119	
1899—1908	776	96	121	
1900—1909	845	103	123	
1901—1910	901	107	126	

Based upon Cd. 2337, pages 167, 174; Cd. 5053, page 26; Cd. 5296, page 363; Cd 5056-xi, page 2.

as directly connected with industrial prosperity or non-prosperity :—

Disputes arising upon hours of labour.

Disputes arising upon the employment of particular classes or individuals.

Disputes arising upon working arrangements.

Disputes arising upon Trade Unionism.

In all the above cases, no clear light is thrown upon the matter of industrial prosperity. But trade disputes that arise upon wages disputes do throw a clear light upon home industrial prosperity or non-prosperity.

Before we look at the facts, let us consider the following theory. Later, we can see whether the facts do or do not support the theory.

Take first a condition of home industrial prosperity. Employers of labour are not apt to take the first step in offering an increase of wages, that possibly they can afford to pay.

The first step in this direction is likely to come from the men employed. They see that there is plenty of work on hand, they conjecture an increase of the employer's profit, and a demand for an increase of wages is not unlikely to follow. Thus one sign of industrial prosperity may be a preponderance of trade disputes caused by a demand for an increase of wages. Also, when home industries are prosperous, there is no need for an employer to run the risk of causing a trade dispute by asking his men to consent to a decrease of wages. Thus, another sign of home industrial prosperity may be the relatively small incidence of trade disputes caused by a demand for a decrease of wages.

Take now a condition of home industrial non-prosperity. Demands for an increase of wages by the men employed are likely to be less prominent than during a period of industrial prosperity. Such a demand comes from the men. The men see that work is scarce, and they are likely to abstain from a course of action, such as a demand for an increase of wages, that will probably not be successful and which may cause loss of employment. Thus one sign of a condition of home industrial non-prosperity may be that trade disputes caused by a demand for an increase of wages are relatively few.

Also, when home industries are not prosperous, the employers feel the pinch, and one result may be an increase in trade disputes caused by the employer seeking the men's

consent to a reduction of wages. Thus another sign of home industrial non-prosperity may be a predominance of trade disputes caused by the question of a decrease in wages.

Evidence has been accumulating in this chapter from many different and independent sources to the effect that, at any rate during recent years, the home industrial and productive conditions of the United Kingdom have not been prosperous.

TABLE 37—UNITED KINGDOM THE EVIDENCE AFFORDED BY STRIKES AND LOCK-OUTS (TRADE DISPUTES) CAUSED BY WAGES DISPUTES UPON THE MATTER OF HOME INDUSTRIAL PROSPERITY; AND ALSO AS REGARDS THE NON-CONNECTION OF PROGRESS IN FOREIGN COMMERCE WITH PROGRESS IN HOME INDUSTRIAL PROSPERITY.

Cause of Trade Dispute. Wages.	Number of Workpeople Directly Involved in Trade Disputes caused by Wages Disputes.			
	Yearly Average during 1896-1902.	Yearly Average during 1903-1909	Increase or Decrease during 1903-1909.	
			Increase.	Decrease.
For increase of wages .	60,800	21,000		39,800
Against decrease* of wages .	12,100	28,200	16,100	
Other wages disputes	18,400	19,700	1,300	
Total wages disputes .	91,300	68,900	Net decrease .	22,400
THE UNITED KINGDOM'S EXPORTS. <i>Yearly Average during each Period.</i>				
Special Exports ^a . . .	Million £ 256	Million £. 347	Million £. 91	Million £
Special Exports of Manu- factured Goods * . . .	209	277	68	.

^a Excluding ships.

Based upon Cd. 6811, page xvii; Cd. 5325, page 13.

The present official classification of Trade Disputes does not go back beyond the year 1896. The years 1896-1909 are all the years for which the facts are recorded in the existing classification.

See the text for comments upon this table.

Table 37, which shows the facts relating to trade disputes caused by wages disputes, certainly gives support to the theory as to wages disputes here put forward. It comes as one of many other pieces of evidence. Inadequate by itself, but when taken in combination with other evidence now being

adduced, this Table 37 not only gains in validity itself, but it also adds weight to the mass of independent evidence here being brought forward.

According to other evidence in this chapter, recent years have been industrially non-prosperous. In Table 37 we see that during these recent years, trade disputes caused by a demand for an increase of wages have notably decreased in their incidence. We see also that, during these recent years, trade disputes caused by resistance against a proposed decrease of wages have notably increased. And those are the two signs we should expect to see during a period of home industrial non-prosperity.

Table 37 also shows the exports from the United Kingdom during each of the periods compared. These facts add one more evidence to the effect that progress or regress in our foreign commerce, in our mere exchange of goods, does not and can not afford any indication whatever as to the condition of home production, of our home industrial prosperity or non-prosperity.

Perhaps readers who may have so far observed the facts disclosed in this chapter may have realised the truth of the proposition at the beginning of the chapter—namely, that an increasing foreign commerce is no evidence whatever as to the condition of the Home Production and Industries of the United Kingdom.

To settle conviction upon this matter, it is useful to look at Tables 38-40.

These three tables compare the progress in our Special Exports of Manufactured Goods with the progress in our Unemployment, in our Pauperism, in our Emigration. The comparisons are made upon an identical basis and during the same period, in each case.

In Table 38, while our exports of manufactured goods were stagnant, the rate of Unemployment rose at first and then largely fell. During recent years, when our exports of manufactured goods have greatly increased, a large increase

has occurred in our rate of Unemployment. We have to bear in mind that a large and increasing proportion of our so-called British and Irish exports of Manufactured Goods

TABLE 38.—UNITED KINGDOM: COMPARING THE PROGRESS IN THE RATE OF UNEMPLOYMENT AMONG MEMBERS OF TRADE UNIONS PER 1000 MEMBERS IN TRADE UNIONS WITH THE PROGRESS IN THE VALUE OF OUR SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Decade*

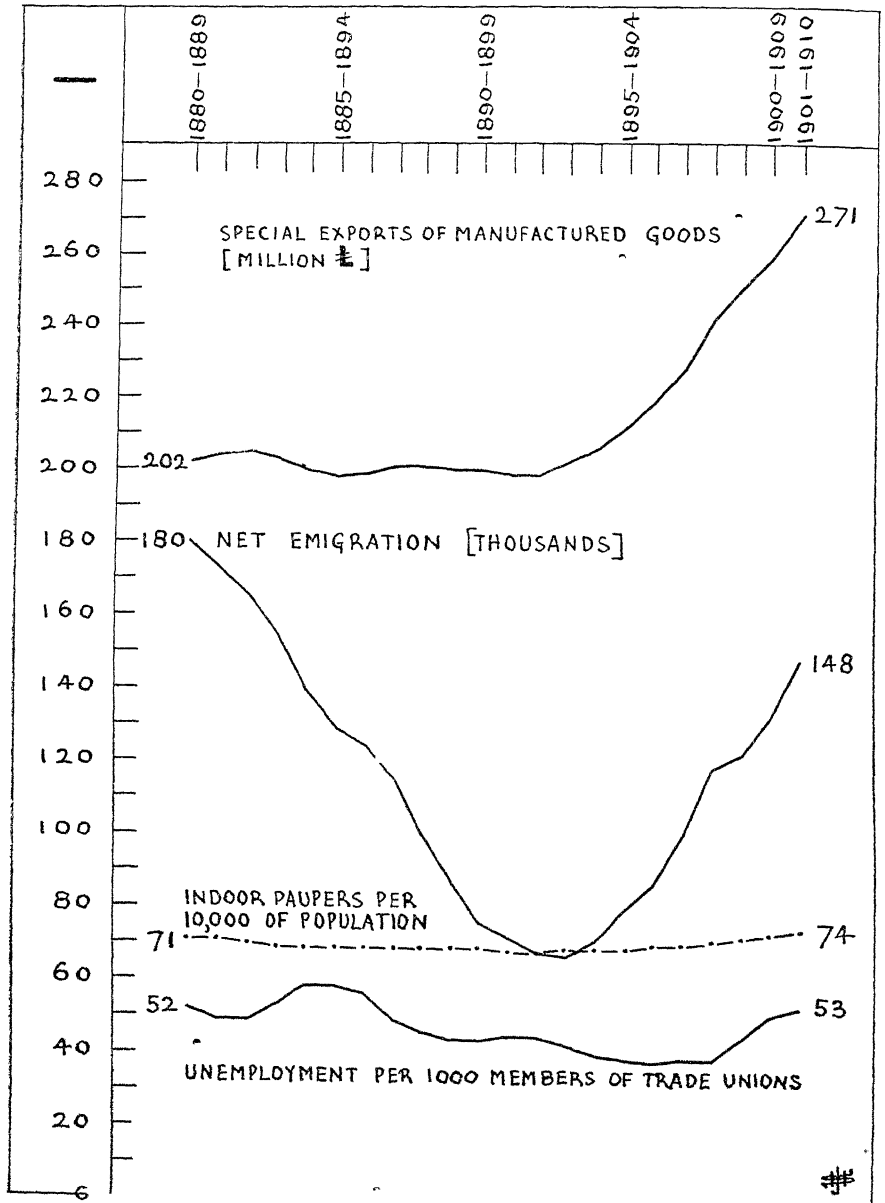
Decade.	Number Unemployed per 1000 Members of Trade Unions.*		Special Exports of Manufactured Goods from the United Kingdom.† Table 104.	
	Number	Description of Progress.	Value (nearest Million £).	Description of Progress.
1880—1889	52	A Fall	202	Stagnation
1881—1890	49		204	
1882—1891	49		205	
1883—1892	53		203	
1884—1893	58		200	
1885—1894	58		198	
1886—1895	56		199	
1887—1896	49		201	
1888—1897	46		201	
1889—1898	44		200	
1890—1899	44	A large Rise	200	A large Rise
1891—1900	45		199	
1892—1901	45		199	
1893—1902	43		202	
1894—1903	40		206	
1895—1904	39		212	
1896—1905	38		219	
1897—1906	39		228	
1898—1907	39		242	
1899—1908	45		251	
1900—1909	51		259	
1901—1910	53		271	

* Based upon Blue Book Cd. 4954, page 223, column 3, for the twenty-nine years 1880-1908, and upon the Board of Trade Labour Gazette for January 1911, page 3, for the two years 1909-1910.

† Excluding ships.

(Special Exports) is made up of foreign manufactured goods either repacked, or slightly altered, or partly added to, the net result being called "British" manufactured goods. Thus quite apart from the general proposition that our export

DIAGRAM XVI.—SEE TABLES 38, 39, 40 ILLUSTRATING THE FALLACY OF THE BELIEF THAT A RISE IN THE UNITED KINGDOM'S EXPORTS INDICATES GENERAL INDUSTRIAL PROSPERITY IN THE UNITED KINGDOM, 1880-1910 Yearly Averages during each Decade



Keep the base-line 0 in sight.

Example.—The large increase, in recent years, of our Special Exports of Manufactured Goods was accompanied by a rise in Emigration, by a rise in Pauperism, by a rise in Unemployment. In earlier years, when these exports were stagnant or declining, Emigration fell, Pauperism fell, Unemployment fell. Our Foreign Commerce gives no indication of progress or regress in our general industrial prosperity. It is probable that in recent years our increased export trade has to some extent been a substitute for sales in our Home Market, in place of being an addition to sales in our Home Market.

trade is no test of our general condition of Home Production and Home Industry, we have the further consideration that even our Special Exports of Manufactured Goods when they do increase embody to a material extent an increase in foreign goods exported by us under the head of British Goods. This is wholly distinct from our Re-Export trade, Class III. of which admittedly relates to imported manufactured goods that are subsequently exported.

The rise in Unemployment in Table 38 during recent years is fully corroborated by other investigations contained in this chapter.

TABLE 39—UNITED KINGDOM: COMPARING THE PROGRESS IN INDOOR PAUPERISM (ENGLAND AND WALES) WITH THE PROGRESS IN THE VALUE OF OUR SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	No. of Indoor Paupers Relieved, per 100,000 of Population. Table 31.		Special Exports of Manufactured Goods. Table 104.	
	Number.	Description of Progress.	Value.	Description of Progress.
1880—1889	711	A Fall	Million £ 202	Stagnation
1881—1890	706		204	
1882—1891	699		205	
1883—1892	693		203	
1884—1893	688		200	
1885—1894	689		198	
1886—1895	690		199	
1887—1896	690		201	
1888—1897	689		201	
1889—1898	687		200	
1890—1899	686		200	
1891—1900	685		199	
1892—1901	685	A large Rise	199	A large Rise
1893—1902	688		202	
1894—1903	691		206	
1895—1904	694		212	
1896—1905	698		219	
1897—1906	704		228	
1898—1907	712		242	
1899—1908	719		251	
1900—1909	731		259	
1901—1910	743		271	

Table 39 shows that when our Special Exports of Manufactured Goods were stagnant, the Number of Indoor Paupers relieved per 100,000 of our population fell. And that in recent years the large increase in our exports has been accompanied by a large increase in the rate of indoor pauperism.

TABLE 40.—UNITED KINGDOM: COMPARING THE PROGRESS IN NET EMIGRATION OF BRITISH SUBJECTS FROM THE UNITED KINGDOM TO COUNTRIES OUT OF EUROPE, WITH THE PROGRESS IN THE VALUE OF OUR SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Decade*

Decade.	Net Emigration of British Subjects from the United Kingdom to Countries out of Europe.		Special Exports of Manufactured Goods from the United Kingdom.*	
	Number (Table 33).	Description of Progress.	Value (nearest Million £, Table 104).	Description of Progress.
	Thousands			
1880—1889	180	A large Fall	202	Stagnation
1881—1890	173		204	
1882—1891	165		205	
1883—1892	154		203	
1884—1893	140		200	
1885—1894	129		198	
1886—1895	124		199	
1887—1896	115		201	
1888—1897	101		201	
1889—1898	87		200	
1890—1899	76	A large Rise	200	A large Rise
1891—1900	72		199	
1892—1901	68		199	
1893—1902	67		202	
1894—1903	71		206	
1895—1904	80		212	
1896—1905	86		219	
1897—1906	100		228	
1898—1907	118		242	
1899—1908	122		251	
1900—1909	132		259	
1901—1910	148		271	

* Excluding ships.

Table 40 shows that the prolonged stagnation in our exports of manufactured goods was accompanied by a large

fall in our Net Emigration. And that the large rise in our exports of manufactured goods was accompanied by a large rise in our exports of British Subjects emigrating to foreign and other Protected Countries, and leaving so-called Free Trade England.

The contents of this chapter conclusively prove by many different and independent items of evidence that our Foreign Commerce does not supply us with any test whatever of the condition of our Home Production and Industries.

The investigations here set out also suggest to the student that there is solid cause for grave doubt as to the condition of our Home Production and Industries as regards their principal function of providing adequate work and wages for our population.

And it is established without any doubt whatever that our leading Home Productive Industry, Agriculture, is so greatly weakened and decayed, that the backbone and stability of this country are immeasurably below the standard of economic health that is essential for national safety and for national welfare.

N O T E

As regards Table 25 and page 61, see Appendix F for a survey of wheat-prices, and for the relation of wheat-prices to bread-prices.

CHAPTER II

IMPORTS *

It has been demonstrated in Chapter I. that our Foreign Commerce, whether it advances or declines, is no indication of prosperity or of non-prosperity in our Home Production and Industries. For the reason that our Home trade is not less than five times as important as our foreign commerce, as regards power to provide work and wages for our population. Obviously, the greater factor must dominate the smaller factor.

Although this predominance of our Home Production over our foreign commerce must be clearly recognised, the latter retains much importance, and it needs careful investigation in many directions not usually considered by those who are content merely to observe the published records of our foreign commerce in this or that month, quarter, or year. In place of looking merely at crude statistics, it is necessary to use the latter merely as the raw material of investigations by which trade tendencies are made to disclose themselves over a long period of observation.

Our system of foreign commerce is usually called Free Trade. Perhaps the best definition of Free Trade is the French term, meaning Free Exchange. But although our system of commerce is called Free Trade, it is in fact radically different from Free Trade, for the reason that the essence of

* Based upon the 57th and earlier Statistical Abstracts for the United Kingdom; upon Blue Books Cd. 2337 and Cd. 4954; upon Accounts relating to Trade and Navigation, December 1910.

the latter—Free Exchange—is lacking. And there is considerable doubt as to whether the advantages which are sometimes claimed for Free Trade proper can rightly be held to accompany our system of partly-free imports* into the United Kingdom, and heavy taxation of British exports when they reach foreign countries and British Dominions and colonies. The words Free Trade are so commonly used in connection with a system which is wholly different from Free Trade, that it may be useful to impress the mistake upon the minds of readers by visualising this common error. See pp. 88 and 89.

Concerning our imports and exports, there are some main groups of these which should be stated and clearly understood before they are detailed.

Our records show imports of merchandise, and imports of bullion and specie. Our imports of merchandise are not classified both as total imports and as imports for consumption in the United Kingdom—a method commonly adopted by other countries, whose imports of merchandise for home consumption are named “special imports,” and their total imports of merchandise “general imports.”

The plan usually adopted to ascertain our “special imports,” is to deduct from our total imports of merchandise our exports of foreign and colonial produce previously imported. These exports are called “re-exports”—an inaccurate description, which, however, will be retained, as it is in common use.

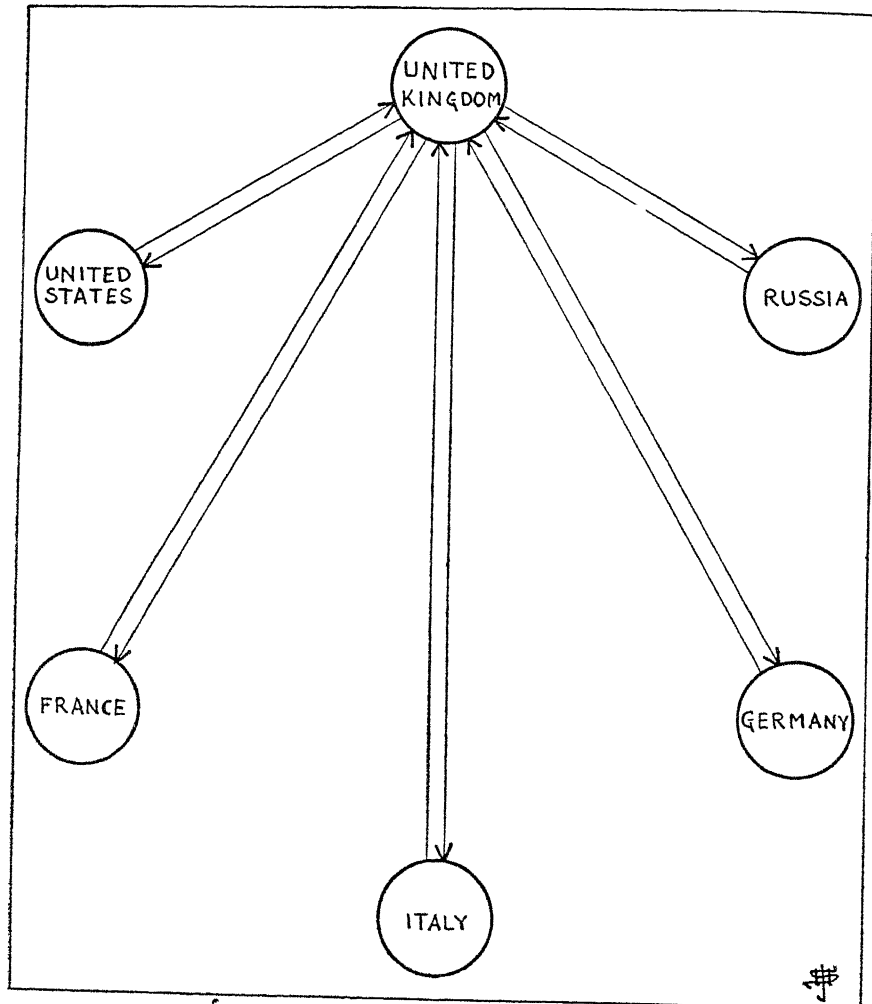
The recorded value of our imports represents their cost, insurance, and freight.

Our exports are in two main groups. Exports of merchandise, and exports of bullion and specie.

Our exports of merchandise are divided into two classes. Exports of British and Irish produce and manufacture, which we may call “special exports”; and exports of foreign and

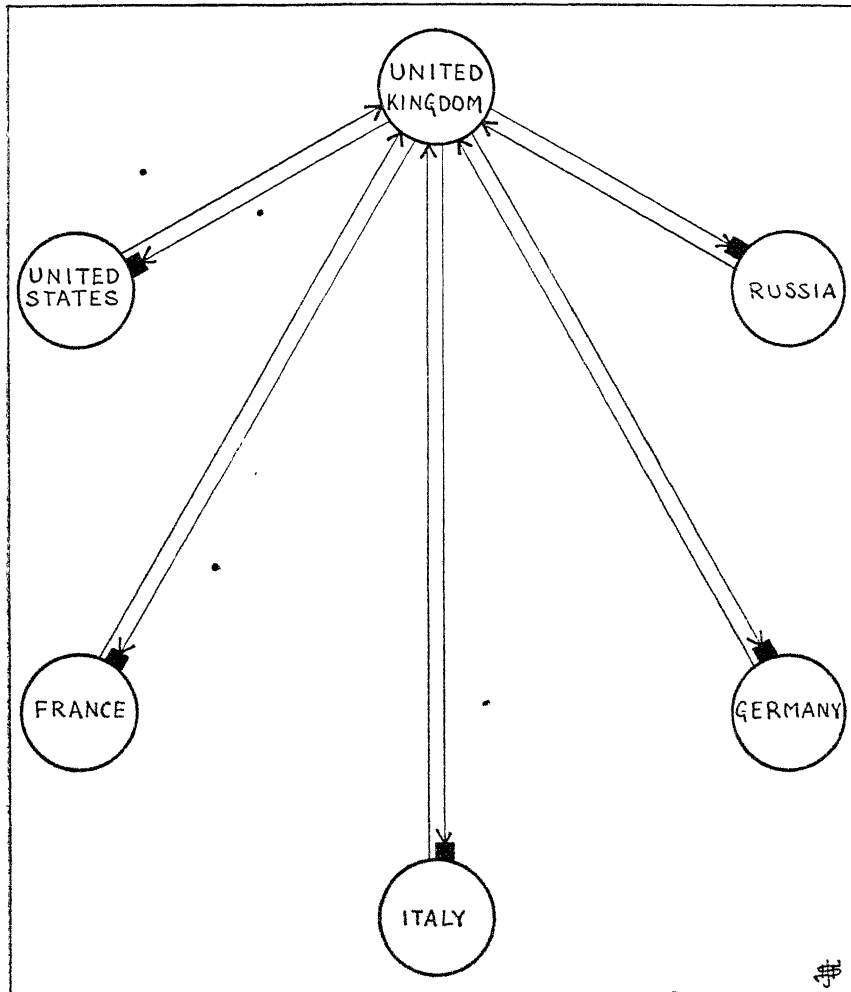
* Some imports of food, etc., are taxed for revenue purposes, not as a matter of trade policy. In the financial year ended 31st March 1910, our taxation of imports was 30·1 million £. See Chapter XV.

DIAGRAM XVII.—ILLUSTRATING REAL FREE TRADE BETWEEN THE UNITED KINGDOM AND OTHER COUNTRIES.



For simplicity of illustration, only six countries are shown.
The arrow-headed lines of trade passing from and to the United Kingdom and Other Countries represent a free, untaxed exchange of goods, which is Free Trade. These conditions do not exist.

DIAGRAM XVIII.—ILLUSTRATING THE PRESENT METHOD OF TRADE BETWEEN THE UNITED KINGDOM AND OTHER COUNTRIES, WHICH IS OFTEN CALLED FREE TRADE, ALTHOUGH IT IS NON-FREE TRADE.



For simplicity of illustration, only six countries are shown.

The arrow-headed lines of trade passing from Other Countries into the United Kingdom represent the untaxed entry of foreign goods into the United Kingdom.

The black-blocked lines of trade passing from the United Kingdom towards Other Countries represent our exports meeting foreign import duties when our goods enter foreign ports. These are the conditions that actually exist, and they are radically different from Free Trade.

colonial produce and manufacture previously imported, which, as already stated, are called "re-exports."

The recorded value of our exports represents their cost and the charges of putting the goods on the ship that carries them away.

Our imports and exports as above defined do not include transshipments. Transshipments mean foreign and colonial merchandise imported and exported here under bond at our various ports, which is conveyed from one ship to another ship, none of these goods entering the United Kingdom.

Throughout this book the following terms will be used :—

- I. GENERAL IMPORTS mean Total Imports of Merchandise.
- II. SPECIAL IMPORTS mean Imports of Merchandise for Home Consumption, ascertained* by deducting Re-Exports from General Imports. Group V. deducted from Group I.
- III. GENERAL EXPORTS mean Total Exports of Merchandise. Group IV. added to Group V.
- IV. SPECIAL EXPORTS (commonly called British Exports) mean Exports of British and Irish Produce and Manufactures. Similarly, the Special Exports of a foreign country mean that country's exports of home production.
- V. RE-EXPORTS mean Exports of Foreign and Colonial Produce and Manufactures previously imported.

First, we see the course of our trade in general imports and special imports during the period 1880-1910.

The outstanding features of Table 41 are a large and rapid increase in our general imports since the decade 1884-1893, this increase being most marked during recent years. And as regards our special imports (imports for consumption), the same characteristic is seen.

* As regards the United Kingdom.

The next step is to ascertain the proportion of these imports to our population. The usual method of showing imports per head of population in pounds, shillings, and pence will not be

TABLE 41 — UNITED KINGDOM: THE VALUE OF GENERAL IMPORTS AND SPECIAL IMPORTS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	General Imports.	Special Imports.
	Million £	Million £
1880—1889	393·6	331 1
1881—1890	394·6	332 0
1882—1891	398·4	335·9
1883—1892	399·5	337·1
1884—1893	397·3	335 5
1885—1894	399 1	337 9
1886—1895	403 7	342·3
1887—1896	412 9	351·5
1888—1897	421·8	360·4
1889—1898	430 1	369·0
1890—1899	435·8	374 9
1891—1900	446·0	385·2
1892—1901	454 7	393·3
1893—1902	465 2	403·7
1894—1903	478·9	416 3
1895—1904	493·2	429·4
1896—1905	508·0	442·3
1897—1906	524·6	456·1
1898—1907	544·1	472 4
1899—1908	556·4	482·8
1900—1909	570·4	494 2
1901—1910	585·9	505 6

* Not including the value of Diamonds imported from the Cape of Good Hope.

used, for it is less instructive than the showing of imports in pounds sterling per hundred of our population. Table 42 contains the Population results that have been used.

Table 43 shows the course of our import trade relatively to population. The general and the special imports per year are stated per hundred of population, during each decade.

There has been a large and constant growth, relatively to population, in both general imports and special imports during all the later periods.

Looking at Tables 41 and 43, which show the course of our import trade over a long period and during successive decades,

this part of our foreign commerce is seen to be highly progressive.

TABLE 42.—UNITED KINGDOM: SHOWING THE POPULATION, 1880-1910
Yearly Averages during each Decade

These results are shown to facilitate the checking of any later Tables based upon Population.

Decade.	Population.	Logarithm of Population 1,000,000.	Rate of Progress of Population, beginning at 100.
	Millions		Per cent
1880—1889	35·88	1·5549	100·0
1881—1890	36·17	1·5583	100·8
1882—1891	36·46	1·5618	101·6
1883—1892	36·75	1·5653	102·4
1884—1893	37·06	1·5689	103·3
1885—1894	37·38	1·5726	104·2
1886—1895	37·71	1·5764	105·1
1887—1896	38·04	1·5803	106·0
1888—1897	38·38	1·5841	106·9
1889—1898	38·73	1·5880	107·9
1890—1899	39·09	1·5921	108·9
1891—1900	39·45	1·5960	109·9
1892—1901	39·82	1·6001	110·9
1893—1902	40·20	1·6042	112·0
1894—1903	40·59	1·6085	113·1
1895—1904	40·99	1·6127	114·2
1896—1905	41·38	1·6168	115·3
1897—1906	41·79	1·6210	116·4
1898—1907	42·20	1·6253	117·6
1899—1908	42·61	1·6295	118·8
1900—1909	43·03	1·6338	120·0
1901—1910	43·47	1·6382	121·2

The next section of trade to be examined is our imports from foreign countries and from British colonies and possessions respectively. In this section, only our general imports can be examined, as our special imports from foreign countries and from British colonies respectively can not be ascertained from the trade records during the whole period now under observation.

The general imports in Table 44 are a splitting-up of the general imports in Table 41 into our imports from foreign countries and from British colonies respectively.

We see a large advance in imports from foreign countries. And the most prominent feature of the course of trade shown

TABLE 43.—UNITED KINGDOM: THE VALUE OF GENERAL IMPORTS AND SPECIAL IMPORTS PER 100 OF POPULATION, 1880-1910 *Yearly Averages during each Decade*

Decade.	General Imports per 100 of our Population.	Special Imports per 100 of our Population.
	£	£
1880—1889	1097	923
1881—1890	1091	918
1882—1891	1092	921
1883—1892	1087	917
1884—1893	1072	905
1885—1894	1068	904
1886—1895	1070	908
1887—1896	1085	924
1888—1897	1099	939
1889—1898	1111	953
1890—1899	1115	959
1891—1900	1130	977
1892—1901	1142	988
1893—1902	1157	1004
1894—1903	1179	1025
1895—1904	1203	1047
1896—1905	1227	1069
1897—1906	1256	1091
1898—1907	1289	1119
1899—1908	1306	1133
1900—1909	1325	1148
1901—1910	1348	1163

A large Rise,
continuous
since
1885-1894

A large Rise,
continuous
since
1885-1894

in Table 44 is that our imports from foreign countries have advanced much more than our imports from British colonies, both in actual millions, and also relatively to volume of imports. From the first to the last decade, our imports from foreign countries increased by 152·9 million £ yearly, or by 50 per cent.; and our imports from British colonies increased by 39·4 million £ yearly, or by 43 per cent.

The results in Table 44 must now be dealt with relatively to population, for the purpose of testing the increase in these imports by the growth of our population.

Table 45 is instructive. It shows our general imports from

foreign countries and from British colonies respectively per hundred of population.

TABLE 44.—UNITED KINGDOM. THE VALUE OF OUR GENERAL IMPORTS, 1880-1910, FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES AND POSSESSIONS RESPECTIVELY. *Yearly Averages during each Decade*

Decade.	General Imports.		
	From Foreign Countries. (a)	From British Colonies and Possessions. (b)	Excess of (a) over (b).
	Million £.	Million £	Million £
1880—1889	302.4	91.2	211.2
1881—1890	303.0	91.6	211.4
1882—1891	306.0	92.4	213.6
1883—1892	307.3	92.2	215.1
1884—1893	305.7	91.6	214.1
1885—1894	307.7	91.4	216.3
1886—1895	311.2	92.5	218.7
1887—1896	319.3	93.6	225.7
1888—1897	327.1	94.7	232.4
1889—1898	334.1	96.0	238.1
1890—1899	338.9	96.9	242.0
1891—1900	347.7	98.3	249.4
1892—1901	355.8	98.9	256.9
1893—1902	365.4	99.8	265.6
1894—1903	376.9	102.0	274.9
1895—1904	388.6	104.6	284.0
1896—1905	400.2	107.8	292.4
1897—1906	412.0	112.6	299.4
1898—1907	425.1	119.0	306.1
1899—1908	434.4	122.0	312.4
1900—1909	444.4	126.0	318.4
1901—1910	455.3	130.6	324.7

Note.—The value of Diamonds imported from the Cape of Good Hope is not included in our General Imports.

We see that, taking into the account the growth of our population, imports from British colonies have remained nearly stationary during the greater part of the long period 1880-1910. There was a rise beginning with the decade 1895-1904. The greater part of the increase in our imports, large as this increase is, has occurred in our imports from foreign countries.

To make quite clear the growth in our imports from

foreign countries relatively to our imports from British colonies, it is useful to show for each successive decade the proportion of every £1000 of our imports which came from

TABLE 45.—UNITED KINGDOM. THE VALUE OF OUR GENERAL IMPORTS PER 100 OF POPULATION, 1880-1910, FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES AND POSSESSIONS RESPECTIVELY
Yearly Averages during each Decade

Decade.	General Imports per 100 of our Population	
	From Foreign Countries.	From British Colonies and Possessions.
	£	£
1880—1889	843	254
1881—1890	838	253
1882—1891	839	253
1883—1892	836	251
1884—1893	825	247
1885—1894	823	245
1886—1895	825	245
1887—1896	839	246
1888—1897	852	247
1889—1898	863	248
1890—1899	867	248
1891—1900	881	249
1892—1901	894	248
1893—1902	909	248
1894—1903	928	251
1895—1904	948	255
1896—1905	967	260
1897—1906	986	270
1898—1907	1007	282
1899—1908	1020	286
1900—1909	1032	293
1901—1910	1047	301

A large Rise,
continuous
since
1885-1894

A slight
Fall,
followed by
a Rise

these two sources respectively. These results are given in Table 46, and they show at a glance the nearly continuous increase in the proportion of our imports which came from foreign countries, and the nearly continuous decrease in the proportion of our imports which came from British colonies. These tendencies continued up to the decade 1896-1905. Since then the proportion of our imports from foreign countries has slightly decreased.

This Table 46, and the other tables already shown, are good illustrations of the usefulness of the method of showing the yearly averages during each successive decade, in place of showing individual years. Were we looking at the latter, we should see merely fluctuating and confusing results; but, by the method employed, we see that certain broad, well-defined features stand out prominently, which enable us to know the course of trade so far as it relates to our imports.

TABLE 46—UNITED KINGDOM: SHOWING HOW MUCH OF EVERY £1000 OF GENERAL IMPORTS CAME FROM FOREIGN COUNTRIES AND FROM BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Of every £1000 of General Imports, the proportion which came		
	From Foreign Countries was	From British Colonies and Possessions was	Total.
	£	£	£
1880—1889	768	232	1000
1881—1890	768	232	1000
1882—1891	768	232	1000
1883—1892	769	231	1000
1884—1893	770	230	1000
1885—1894	771	229	1000
1886—1895	771	229	1000
1887—1896	773	227	1000
1888—1897	776	224	1000
1889—1898	777	223	1000
1890—1899	778	222	1000
1891—1900	780	220	1000
1892—1901	782	218	1000
1893—1902	785	215	1000
1894—1903	787	213	1000
1895—1904	788	212	1000
1896—1905	788	212	1000
1897—1906	785	215	1000
1898—1907	781	219	1000
1899—1908	781	219	1000
1900—1909	779	221	1000
1901—1910	777	223	1000

Briefly to sum up the main features of Tables 41 to 46, these are :—

TABLE 41. That there has been a large and rapid increase in

our general imports and in our special imports (imports for consumption).

TABLE 43. That, relatively to population, there has also been a large and constant advance in our imports.

TABLE 44. That our general imports from foreign countries and from British colonies respectively have both steadily increased, and that our imports from foreign countries have increased to a much greater extent than our imports from British colonies.

TABLE 45. That, relatively to population, our general imports from British colonies have remained without much change throughout the greater part of the period 1880-1910, almost all the increase in imports having occurred in our imports from foreign countries. The increase in our imports from British colonies began with the decade 1895-1904.

TABLE 46. That, of every £1000 of our general imports, the proportion from foreign countries has increased, and that the proportion from British colonies has decreased, until the decade 1897-1906.

All the above broadly based conclusions are decisively shown by our trade records when the latter are treated so as to show their meaning, and these conclusions plainly show the course of our import trade during the long period observed.

In addition to showing the course of trade, the method here used enables us to obtain from the tables some useful abstracts. For example, Table 47, abstracted from Table 41, compares the decade 1880-1889 with the decade 1890-1899, the decade 1881-1890 with the decade 1891-1900, and so on. And it shows the average yearly increase in our special imports (imports for home consumption) during each of the two decades compared. For example, during 1901-1910, as compared with 1891-1900, the yearly increase in imports was 120·4 million £; or, 1204 million £ increase during the whole of the decade 1901-1910.

TABLE 47 —ABSTRACT FROM TABLE 41.—SPECIAL IMPORTS INTO THE UNITED KINGDOM, 1880-1910

Decades that should be compared	Yearly Averages during each Decade.	Average Yearly Increase during the later of the two compared Decades.	Total Increase during the later of the two compared Decades.
	Million £	Million £	Million £
1880—1889 and 1890—1899	331·1 } 374·9 }	43 8	438
1881—1890 and 1891—1900	332 0 } 385 2 }	53·2	532
1882—1891 and 1892—1901	335·9 } 393·3 }	57·4	574
1883—1892 and 1893—1902	337·1 } 403 7 }	66 6	666
1884—1893 and 1894—1903	335·5 } 416 3 }	80·8	808
1885—1894 and 1895—1904	337 9 } 429·4 }	91 5	915
1886—1895 and 1896—1905	342 3 } 442·3 }	100·0	1000
1887—1896 and 1897—1906	351·5 } 456·1 }	104 6	1046
1888—1897 and 1898—1907	360·4 } 472·4 }	112·0	1120
1889—1898 and 1899—1908	369·0 } 482 8 }	113·8	1138
1890—1899 and 1900—1909	374 9 } 494·2 }	119·3	1193
1891—1900 and 1901—1910	385·2 } 505·6 }	120·4	1204

The results in the last column of this abstract are very striking. The enormous growth in our imports for consumption is plainly seen. Abstracts of this sort are not shown for each table, as they can easily be taken out from the tables by readers of this book, but it is well to mention the salient

nature of the results thus to be obtained. This abstract is given merely as a specimen.

These enormous increases in our imports should be noted. We shall see no like increases in our exports when we come to look at similar tables. And these prominent facts have a direct bearing upon the question to be considered later—Has the increase in our exports and in our invisible exports kept pace with the huge increase in our imports?

As regards the nature of our imports. These are recorded in four principal classes, but the records do not go back farther than the year 1891, except as regards Class III. The four classes are :—

CLASS I. Food, Drink, and Tobacco.

CLASS II. Raw Materials, and Articles Mainly Unmanufactured.

CLASS III. Articles Wholly or Mainly Manufactured.

CLASS IV. Miscellaneous and Unclassified Imports.

It may be useful to give a table of our general imports in each of these four classes; but the course of trade can not be shown during 1880-1910 as in the preceding tables, except for Class III.

Table 48 shows the value of imports in each class, and a glance at Table 48 will show the necessity to study a period of at least twenty-five years if we want to get a broad view of the course of trade, of trade movement and tendency. We do get such a view as regards Class III. in Table 48, but as regards the three other classes of our general imports we do not know what has been occurring during the decades 1880-1889 to 1890-1899.

So far as the facts go, there has been a rise in each of the four classes of our general imports, notably in Class III., manufactured goods, for which all the facts are available. This Class III. is specially dealt with in Chapter VI.

TABLE 48.—UNITED KINGDOM. THE VALUE OF GENERAL IMPORTS, 1880-1910 *Yearly Averages during each Decade*

DISTINGUISHING THE CLASSES OF IMPORTS.

Decade.	Class I. Food, Drink, and Tobacco.	Class II. Raw Materials and Articles Mainly Un- manufactured.†	Class III. Articles Wholly or Mainly Manu- factured.‡	Class IV. Miscellane- ous, etc	Total General Imports.‡ (Table 41)
	Million £	Million £	Million £	Million £	Million £
1880—1889			79·4		393·6
1881—1890			80·7		394·6
1882—1891			82·4		398·4
1883—1892			83·6		399·5
1884—1893	Can not be stated before 1891	Can not be stated before 1891	84·7	Can not be stated before 1891	397·3
1885—1894			86·0		399·1
1886—1895			88·1		403·7
1887—1896			91·0		412·9
1888—1897			94·1		421·8
1889—1898			96·6		430·1
1890—1899			99·7		435·8
1891—1900	193·2	147·4	103·5	1·9	446·0
1892—1901	196·8	148·5	107·3	2·1	454·7
1893—1902	200·2	151·0	111·6	2·4	465·2
1894—1903	205·4	154·9	116·3	2·3	478·9
1895—1904	210·8	159·2	120·8	2·4	493·2
1896—1905	216·0	164·2	125·4	2·4	508·0
1897—1906	221·1	170·6	130·4	2·5	524·6
1898—1907	226·5	180·2	135·0	2·4	544·1
1899—1908	230·1	185·7	138·2	2·4	556·4
1900—1909	234·5	192·7	140·8	2·4	570·4
1901—1910	238·3	201·6	143·6	2·4	585·9

* The records do not state how much of Class II. is Raw Materials and Mainly Unmanufactured Goods respectively.

† Manufactured Imports are dealt with in Chapter VI.

‡ Not including the value of Diamonds imported from the Cape of Good Hope.

We are able to get some useful knowledge by ascertaining the proportion of each class of imports to our total general imports. See Table 49.

Here we see that Class III., manufactured goods, has largely risen in its proportion per £1000 of our general imports: from £202 per-£1000 to £245 per £1000.

Class I., food, etc., has fallen as regards its proportion of our general imports. Class II., imports of raw material, etc., fell throughout the greater part of the period observed, with a rise at the end.

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Thus the piece of knowledge to be got from Table 49 is that our imports of manufactured goods have been increasing much more than our imports of food, etc., and of raw material.

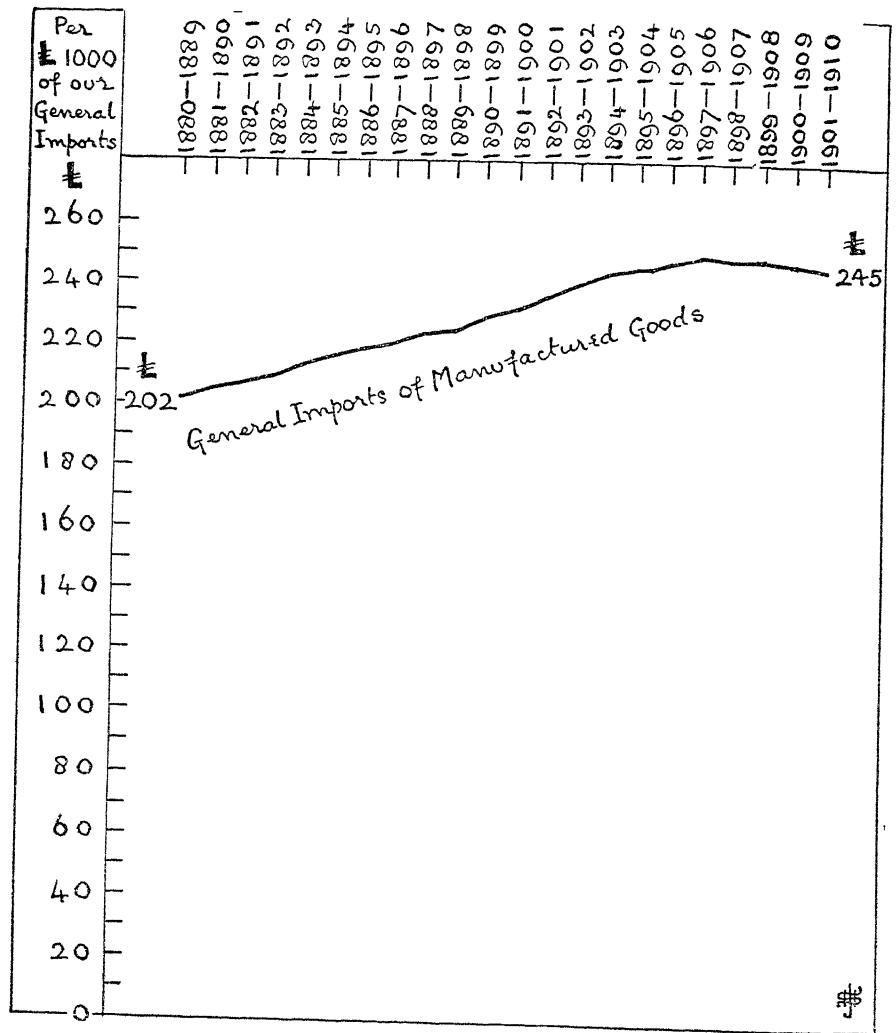
TABLE 49.—UNITED KINGDOM: GENERAL IMPORTS, DISTINGUISHED AS TO CLASSES, AND SHOWING THE PROPORTION OF EACH CLASS PER £1000 OF GENERAL IMPORTS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Class I. Food, Drink, and Tobacco	Class II. Raw Materials and Articles Mainly Un- manufactured	Class III. Articles Wholly or Mainly Manu- factured.	Class IV. Miscel- laneous, etc.	Total General Imports.
	Proportion per £1000 of General Imports.				
	£	£	£	£	£
1880—1889			202		1000
1881—1890			205		1000
1882—1891			207		1000
1883—1892			209		1000
1884—1893	Can not be stated	Can not be stated	213	Can not be stated	1000
1885—1894	before 1891	before 1891	216	before 1891	1000
1886—1895			218		1000
1887—1896			220		1000
1888—1897			223		1000
1889—1898			224		1000
1890—1899			229		1000
1891—1900	433	331	232	4	1000
1892—1901	433	326	236	5	1000
1893—1902	430	325	240	5	1000
1894—1903	429	323	243	5	1000
1895—1904	427	323	245	5	1000
1896—1905	425	323	247	5	1000
1897—1906	421	325	249	5	1000
1898—1907	417	331	248	4	1000
1899—1908	414	334	248	4	1000
1900—1909	411	338	247	4	1000
1901—1910	407	344	245	4	1000

Note.—Observe the large Rise in the proportion of imported Manufactured Goods relatively to all General Imports. During the first decade, each £1000 of our general imports were made up of £202 of Manufactured Goods and of £798 of Raw Materials, Food, etc., Classes I., II., and IV. During the last decade, each £1000 of our general imports were made up of £245 of Manufactured Goods and of £755 of Raw Materials, Food, etc., in Classes I., II., and IV. Compare with Table 72.

It would be interesting to have all the facts for the whole period. But it is easy to deduce the following result for the whole period from Table 49.

DIAGRAM XIX.—SEE TABLE 49. UNITED KINGDOM: SHOWING HOW MUCH OF EACH £1000 OF GENERAL IMPORTS WERE GENERAL IMPORTS IN CLASS III. (ARTICLES WHOLLY OR MAINLY MANUFACTURED), 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, £202 per £1000 of our General Imports were imports of Manufactured Goods; during the last decade, £245 per £1000. It will be seen in Chapter III. that our exports have taken the opposite course to that here shown.

During 1880-1889 our imports in Class III., manufactured goods, were £202 per £1000 of our general imports. And it follows that Classes I., II., IV., made up the remaining £798 per £1000. During 1890-1899 (the last of the blank decades in Table 49) our imports in Class III. were £229 per £1000 of our general imports. And it follows that, in 1890-1899, the remaining £771 per £1000 of our general imports was made up of Classes I., II., and IV. This process enables us to know that *throughout the whole period* of Table 49, our imports of food *plus* raw material have been increasing less than our imports of manufactured goods. But we are not able to know to what extent the decreased proportion occurred in our food imports and in our imports of raw material respectively. That important piece of evidence can be seen only for the last eleven decades in Table 49.

Another matter is the distinguishing of each class of our general imports as regards its source. That is to say, imports from foreign countries and from British colonies and possessions respectively. See Table 50.

These facts can be shown only for the eleven years 1899-1909, and this period is too short to admit of the use of the method of showing the course of trade; but we may ascertain the yearly average during this period, 1899-1909.

The upper part of Table 50 shows the average yearly value of each class of our general imports, distinguished as to source, and the lower part of Table 50 states the proportion of our imports that came to us from each source.

For example:—In Class I., food, drink, and tobacco, £77 per £100 came from foreign countries and £23 per £100 from British colonies.

In Class II., raw material, we reach the highest proportion from British colonies, namely, £29 per £100. Foreign countries supplied us with £71 per £100 of our general imports of raw material, etc., and, as Table 50 shows, with £88 per £100 of our imports of manufactured goods.

Perhaps the most notable feature in the lower part of Table 50 is the small proportion of our food imports, Class I., which comes to us from British colonies; for the British Empire, including the United Kingdom, could be nearly if

TABLE 50 — UNITED KINGDOM GENERAL IMPORTS,* DISTINGUISHED AS TO CLASSES AND ALSO AS TO THE SOURCE OF EACH CLASS OF IMPORTS, 1899-1909† *Yearly Averages during those eleven years.*

Classes of General Imports.	From Foreign Countries.	From British Colonies.	From Both Sources.
	Million £	Million £	Million £
Class I.—Food, Drink, and Tobacco	179·7	52·6	232·3
„ II.—Raw Materials, etc. .	133 8	55 0	188·8
„ III.—Manufactured Articles	122 9	16·1	139 0
„ IV.—Miscellaneous, etc. .	1 9	0·5	2·4
Classes I. to IV. .	438·3	124·2	562·5
Proportion from Foreign Countries and from British Colonies respectively.			
Classes of General Imports.	Imports per £100 of the Total for each Class.		
	From Foreign Countries.	From British Colonies.	From Both Sources.
	£	£	£
Class I.—Food, Drink, and Tobacco .	77	23	100
„ II.—Raw Materials, etc. .	71	29	100
„ III.—Manufactured Articles	88	12	100
„ IV.—Miscellaneous, etc. .	79	21	100
Classes I. to IV .	78	22	100

* Not including Diamonds imported from the Cape of Good Hope.

† These are the only years for which the facts can be stated.

not wholly self-supporting in food. And as regards Class II., raw material, £29 per £100 of our total imports in this class seems a small proportion to come to us from British colonies.

So far, and as regards the source whence our imports come to us, the distinction has been “from Foreign Countries”

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and "from British Colonies." It is useful now to analyse our imports by another classification, namely :—

- (a) Imports from the Principal Protected Foreign Countries; and
- (b) Imports from All Other Sources, including British Colonies.

In getting out the facts for group (a), the classification of foreign countries adopted by the Board of Trade has been followed. The Principal Protected Foreign Countries consist of the following: Russia, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Austria-Hungary, Switzerland, the United States.

Holland and Belgium, although not high-tariff countries, are included in group (a), because some of our imports from Holland and from Belgium come from Germany or elsewhere, passing through Holland or Belgium. Switzerland's tariff is certainly protective, and our imports from Switzerland are not separately recorded, being wholly included in the recorded imports from other countries contained in group (a).

Table 51 shows our general imports from each of the two groups now being dealt with. A large rise has occurred in our imports from each group, notably during the more recent decades. Throughout the table, our imports from the principal protected foreign countries have largely exceeded our imports from all other sources, this excess of our imports from the former group having risen from 71·8 million £ yearly during the first decade to 110·2 million £ yearly during 1896-1905; during quite recent periods this excess has somewhat fallen. See Table 51, column (d).

The broad result of this piece of investigation is that, throughout the whole period, we have obtained the greater part of our general imports from the group comprising the principal protected foreign countries.

TABLE 51.—UNITED KINGDOM: THE VALUE OF OUR GENERAL IMPORTS, DISTINGUISHING GENERAL IMPORTS FROM THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909 *Yearly Averages during each Decade*

Decade.	General Imports into the United Kingdom.			
	From the Principal Protected Foreign Countries "	From All Other Sources, including British Colonies.	Total (a+b), as in Table 41.	Excess of (a) over (b)
	(a)	(b)	(c)	(d)
	Million £	Million £	Million £	Million £.
1880—1889	232·7	160·9	393·6	71·8
1881—1890	233·7	160·9	394·6	72·8
1882—1891	236·6	161·8	398·4	74·8
1883—1892	238·8	160·7	399·5	78·1
1884—1893	238·2	159·1	397·3	79·1
1885—1894	240·6	158·5	399·1	82·1
1886—1895	243·5	160·2	403·7	83·3
1887—1896	250·1	162·8	412·9	87·3
1888—1897	256·7	165·1	421·8	91·6
1889—1898	263·0	167·1	430·1	95·9
1890—1899	266·9	168·9	435·8	98·0
1891—1900	273·7	172·3	446·0	101·4
1892—1901	280·0	174·7	454·7	105·3
1893—1902	286·4	178·8	465·2	107·6
1894—1903	294·3	184·6	478·9	109·7
1895—1904	301·7	191·5	493·2	110·2
1896—1905	309·1	198·9	508·0	110·2
1897—1906	315·9	208·7	524·6	107·2
1898—1907	322·1	222·0	544·1	100·1
1899—1908	324·7	231·7	556·4	93·0
1900—1909	328·2	242·2	570·4	86·0

These countries are Russia, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Austria-Hungary, Switzerland, United States. (Board of Trade classification.)

It is not practicable to show our special imports by the present classification. We come to Table 52, which discloses our imports per 100 of our population from each of the two groups. There has been a large rise in our imports relatively to population, from each group of countries, but upon this basis there has been less advance, relatively, in our imports from the principal protected foreign countries than from the group All Other Sources.

For example :—In group (a), Table 52, the increase from

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the first to the last decade was from £649 to £763 per 100 of our population, an increase of £114. In group (b), Table 52, the corresponding increase was from £448 to £562, an increase also of £114. But the latter increase is larger,

TABLE 52—UNITED KINGDOM: THE VALUE OF OUR GENERAL IMPORTS PER 100 OF OUR POPULATION, 1880-1909, DISTINGUISHING GENERAL IMPORTS FROM THE PRINCIPAL PROTECTED FOREIGN COUNTRIES
Yearly Averages during each Decade

Decade	General Imports per 100 of our Population.		
	From the Principal Protected Foreign Countries.	From All Other Sources, including British Colonies.	Total (a + b), as in Table 43.
	(a)	(b)	(c)
	£	£	£
1880—1889	649	448	1097
1881—1890	646	445	1091
1882—1891	649	443	1092
1883—1892	650	437	1087
1884—1893	643	429	1072
1885—1894	644	424	1068
1886—1895	646	424	1070
1887—1896	657	428	1085
1888—1897	669	430	1099
1889—1898	679	432	1111
1890—1899	683	432	1115
1891—1900	694	436	1130
1892—1901	703	439	1142
1893—1902	712	445	1157
1894—1903	725	454	1179
1895—1904	736	467	1203
1896—1905	747	480	1227
1897—1906	756	500	1256
1898—1907	763	526	1289
1899—1908	762	544	1306
1900—1909	763	562	1325

relatively to volume of imports, than the increase of £114 in connection with our imports from the principal protected foreign countries.

This point is plainly seen in Table 53, which shows how much of each £1000 of our general imports came from each of the two groups of countries. From the first decade up to the decade 1893-1902, the proportion of our imports coming from

the principal protected foreign countries rose from £591 to £616 per £1000 of our imports, but during the more recent decades this proportion has fallen to less than it was in the decade 1880-1889. The course of trade is clearly marked.

TABLE 53.—UNITED KINGDOM: SHOWING HOW MUCH OF EVERY £1000 OF OUR GENERAL IMPORTS CAME FROM THE PRINCIPAL PROTECTED FOREIGN COUNTRIES AND FROM ALL OTHER SOURCES RESPECTIVELY, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Of every £1000 of General Imports, the proportion which came,		
	From the Principal Protected Foreign Countries	From All Other Sources, including British Colonies.	Total
1880—1889	£ 591	£ 409	£ 1000
1881—1890	592	408	1000
1882—1891	594	406	1000
1883—1892	598	402	1000
1884—1893	600	400	1000
1885—1894	603	397	1000
1886—1895	603	397	1000
1887—1896	606	394	1000
1888—1897	609	391	1000
1889—1898	611	389	1000
1890—1899	612	388	1000
1891—1900	614	386	1000
1892—1901	616	384	1000
1893—1902	616	384	1000
1894—1903	614	386	1000
1895—1904	612	388	1000
1896—1905	608	392	1000
1897—1906	602	398	1000
1898—1907	592	408	1000
1899—1908	584	416	1000
1900—1909	575	425	1000

It will be instructive to compare some of the results now obtained as regards our imports from these two groups of countries with the results relating to our exports to the same countries which are shown in Chapter III.

CHAPTER III

EXPORTS ^{2c}

THERE are, as already stated and defined, three main groups of Exports —

SPECIAL EXPORTS, commonly called British Exports.

RE-EXPORTS, exports of goods previously imported.

GENERAL EXPORTS, being the total of the two preceding groups.

The course of our export trade in these three groups will now be ascertained.

With regard to the necessary exclusion of exports of ships from Table 54—as in the Fiscal Blue Books—it would obviously be misleading in a survey of the course of trade to include ships during 1899-1910 (the only years for which exports of ships have been recorded), and to exclude exports of ships from all the earlier years. They must either be shown throughout, or not shown. And as it is not possible to include ships throughout Table 54, they are excluded.

Our exports of ships have been as follows :—

	Million £.		Million £
1899	9.20	1905	5.43
1900	8.59	1906	8.64
1901	9.15	1907	10.02
1902	5.87	1908	10.57
1903	4.28	1909	5.93
1904	4.46	1910	8.77

* Based upon Blue Books Cd. 1761, Cd. 2337, and Cd. 4954 ; upon the 57th and earlier Statistical Abstracts for the United Kingdom ; upon the current Annual Statement of Trade of the United Kingdom and earlier volumes ; upon Accounts relating to Trade and Navigation, December 1910 ; upon the Board of Trade Labour Gazette, January 1911.

Bearing in mind the growth of shipbuilding by other countries, we should probably find a considerable increase in our exports of ships in years earlier than 1899, and this increase would cause our total special exports in those earlier years to be higher than their recorded value. Thus it is probable that the necessary exclusion of ships from any investigation that

TABLE 54.—UNITED KINGDOM. THE VALUE OF EXPORTS, DISTINGUISHING GROUPS, 1880-1910. *Yearly Averages during each Decade*

Decade.	Special Exports	Re-Exports.	General Exports.
	Million £	Million £	Million £
1880—1889	230.2	62.5	292.7
1881—1890	234.3	62.6	296.9
1882—1891	235.6	62.5	298.1
1883—1892	234.2	62.4	296.6
1884—1893	232.0	61.8	293.8
1885—1894	230.4	61.2	291.6
1886—1895	231.6	61.4	293.0
1887—1896	234.4	61.4	295.8
1888—1897	235.6	61.4	297.0
1889—1898	235.5	61.1	296.6
1890—1899	236.1	60.9	297.0
1891—1900	238.0	60.8	298.8
1892—1901	240.4	61.4	301.8
1893—1902	245.4	61.5	306.9
1894—1903	252.3	62.6	314.9
1895—1904	260.3	63.8	324.1
1896—1905	270.1	65.7	335.8
1897—1906	282.8	68.5	351.3
1898—1907	301.0	71.7	372.7
1899—1908	314.3	73.6	387.9
1900—1909	326.0	76.2	402.2
1901—1910	339.9	80.3	420.2

* See Table 62 for Special Exports other than Coal.

Note.—Exports of ships were not recorded until the year 1899, therefore they are necessarily excluded from the above table. Exports of ships averaged 7.6 million £ yearly during 1899-1910.

goes back farther than 1899 does not, as it is sometimes believed, under-state the progress of our export trade; but, on the contrary, this necessary exclusion of ships probably causes our export trade to appear more progressive than it would appear if it were possible to include the exports of ships. This consideration should be noted.

Referring now to Table 54, special exports were stagnant

for a long while. During the recent periods there has been a large advance in special exports. Later, these exports will be analysed in order to show where that advance has occurred. In Table 54 no distinction is shown with regard to coal exports, nor as concerns exports to foreign countries and to British colonies respectively. These are important distinctions which will be subsequently shown.

Re-exports have fallen; only in recent periods has there been a recovery.

General exports were stagnant up to the decade 1891-1900. There has been a large advance in the more recent decades.

But the foregoing results are merely the actual results without reference to growth of population. We must now test the results in Table 54, by applying to them the population test, in order to ascertain whether our exports have or have not kept pace with the growth of our population since 1880. We must also apply the paying-power test to our special exports. That is to say, we must ascertain whether these exports have kept their place as a payer in part for our special imports.

This is done in Table 55, which contains some interesting and clearly defined features concerning the course of our export trade.

We see, in Table 55, that there has been a marked decline in our special exports, relatively to population, throughout a long period—even although coal is included. And the recent rise does not make up this past loss of export trade during many earlier years. This rise has followed upon a declining trade, not upon a progressive trade—a fact that should not be forgotten.

Moreover, it is necessary to analyse our special exports, and also to observe their destination to foreign countries and to British colonies respectively.

Re-exports have declined almost throughout the whole period, relatively to population. There was a rise at the end.

And as regards general exports, there has been a prolonged fall, with a rise at the end of Table 55.

The large and prolonged fall in special exports, Table 55, should be noted, for the rise in recent years has not nearly made up for this prolonged fall. The rise relates to a short period, and the fall to a long period.

TABLE 55—UNITED KINGDOM: THE VALUE OF EXPORTS, DISTINGUISHING GROUPS, 1880-1910, PER 100 OF POPULATION, ALSO, THE PAYING-POWER TEST *Yearly Averages during each Decade*

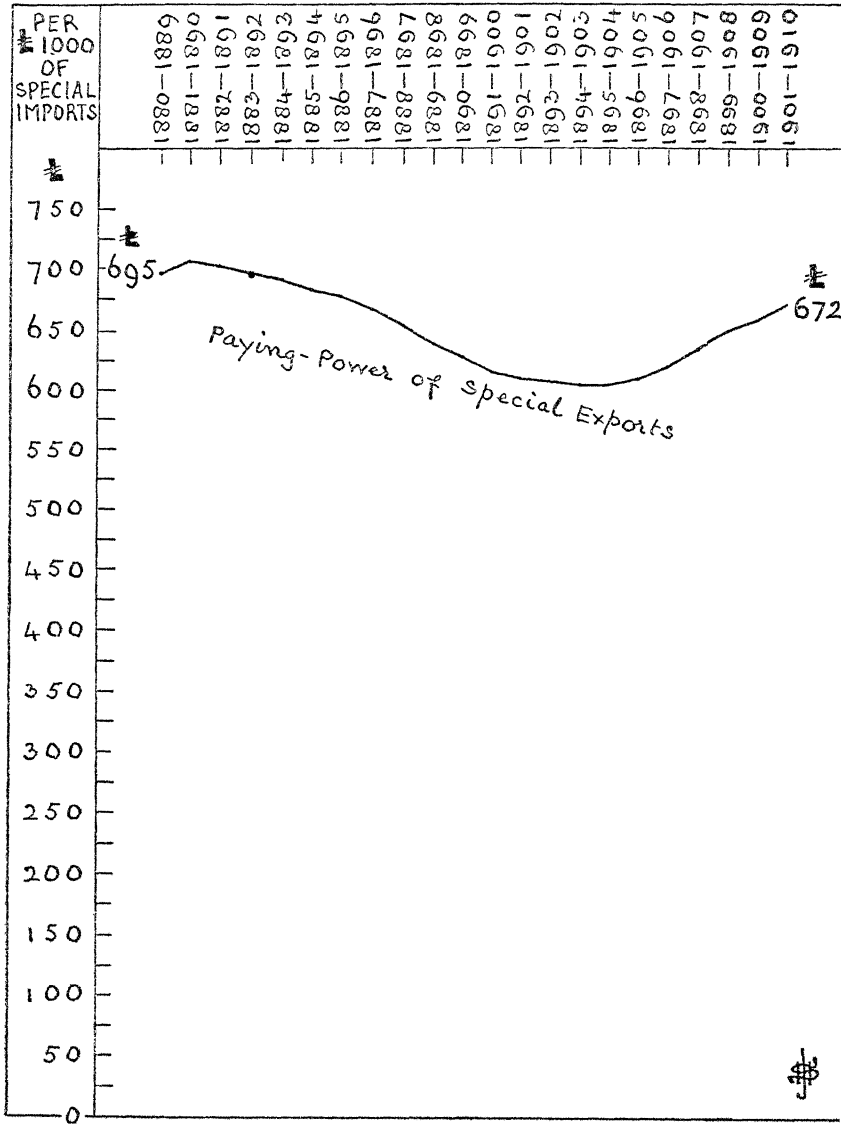
Decade.	Exports per 100 of our Population.			Paying-Power Test. Value of Special Exports per £1000 of Special Imports in Table 41.
	Special Exports.	Re-Exports.	General Exports.	
	£	£	£	£
1880—1889	642	174	816	695
1881—1890	648	173	821	706
1882—1891	646	171	817	702
1883—1892	637	170	807	695
1884—1893	626	167	793	692
1885—1894	616	164	780	682
1886—1895	614	163	777	677
1887—1896	616	161	777	667
1888—1897	614	160	774	654
1889—1898	608	158	766	638
1890—1899	604	156	760	630
1891—1900	603	154	757	618
1892—1901	604	154	758	611
1893—1902	610	153	763	608
1894—1903	622	154	776	606
1895—1904	635	156	791	606
1896—1905	652	159	811	611
1897—1906	677	164	841	620
1898—1907	713	170	883	637
1899—1908	737	173	910	651
1900—1909	758	177	935	660
1901—1910	782	185	967	672

Excluding ships.

The paying-power test in Table 55 shows that our special exports have largely failed to keep their place as a payer in part for the imports consumed in the United Kingdom. During the first decade, special exports paid for £695 per £1000 of our special imports, and during 1901-1910, for only £672 per £1000; with a much larger intervening fall. This fall has occurred despite the recent run of years of

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DIAGRAM XX—SEE TABLE 55 UNITED KINGDOM SHOWING HOW MUCH OF EACH £1000 OF SPECIAL IMPORTS WAS PAID FOR BY SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—The large Fall in our Special Exports as a payer in part for our Special Imports is clearly disclosed. During the first decade, our Special Exports paid for £695 per £1000 of our Special Imports, and during the last decade for only £672 per £1000. Despite all the recent years of increased exports, this part of our foreign commerce has lost much of its former paying-power.

booming export trade, notably the years 1907 and 1910. In a later chapter our invisible exports will be examined, and in Chapter XIV. each of the principal articles of our special export trade will be similarly tested. It will be found that such vigorous items of special export as machinery and coal have fully maintained their paying-power. And the disclosure in Table 55, which applies to the whole of our special export trade, is conclusive evidence that our special exports, viewed as one whole, have largely failed in their most important function, namely, as a payer for our special imports. Even the recent record years of export trade, which are all included in Table 55, have failed to restore this loss of power to our exports. This result is a useful example of the value of applying comparative tests to our commerce.

It is not possible for anyone to obtain a sound view of the course of our export trade by looking merely at the yearly results as published. But, by the method used in this book, all these fluctuations are merged in the averages shown in the tables, disclosing quite clearly the course of our trade—which is what we want to know. The yearly results are no guide to us in their crude form, and they lend themselves to the selection of partial and superficial statements that bewilder the public mind. Many statements which have been published during the last eight years could be quoted that would show the extent to which crude statistics, selected and partial, have been used to support this or that opinion, but such quotation is not necessary.*

The very large increase in our Special Exports during recent years, the years 1904-1910, is seen in Table 56. These increases have been quite abnormal, and during the last few

* If continuous five-yearly averages are shown, thus 1880-1884, 1885-1889, 1890-1894, etc., the fluctuations are so many and large that the course of trade can not be seen. If non-continuous five-yearly averages are shown, as they too often are shown, thus 1875-1879, 1885-1889, 1895-1899, etc., or 1880-1884, 1890-1894, 1900-1904, etc., or 1873-1877, 1883-1887, 1893-1897, etc., they are most misleading. For the reason that these non-continuous five-yearly averages can be selected to show almost any result that may be desired.

years the statement has frequently and emphatically been made that this large advance in our special exports denotes a condition of industrial and productive prosperity in the United Kingdom. In many instances this statement has been made sincerely, with the belief that a large advance

TABLE 56—UNITED KINGDOM: COMPARING THE RATE OF UNEMPLOYMENT AMONG MEMBERS OF TRADE UNIONS PER 1000 MEMBERS IN TRADE UNIONS, WITH THE VALUE OF OUR SPECIAL EXPORTS, 1900-1910.

Year.	Number Unem- ployed per 1000 Members of Trade Unions.*	Special Exports from the United Kingdom †	
		Value.	Description of Progress.
		Million £	
1900	25	291	Stagnation or decline
1901	33	280	
1902	40	283	
1903	47	291	
Average 1900—1903	36‡	286‡	
1904	60	301	A very large Rise (Years of "booming" Export Trade)
1905	50	330	
1906	36	376	
1907	37	426	
1908	78	377	
1909	77	378	
1910	47	431	
Average 1904—1910	55‡	374‡	
Increase from 1900—1910	22	140	

* From returns relating to 700,000 members of Trade Unions, page 3 of the Board of Trade Labour Gazette for January 1911.

† Including ships.

‡ Observe that during the period 1900-1903, when our Special Exports were stagnant or declining, the rate of Unemployment was much smaller than it was during the period 1904-1910, when our Special Exports very largely increased. The above facts confirm the statement in Chapter I., that a progressive export trade does not denote prosperity in our Home Trade and Productive activities, upon which mainly depends the employment of our people.

in our foreign commerce necessarily implies prosperity in our home trade. Whereas, it is proved in Chapter I. that our foreign commerce is no indication whatever as to the condition of Home Production and Industries.

Examination of Table 56 points to the conclusion that the great increase in our export trade during recent years has been accompanied by regress in our Home Production

and Industries. Because the table shows that during the period of advancing export trade, 1904-1910, the rate of unemployment was much higher than the rate of unemployment during the period of stagnant export trade, 1900-1903. There are other pieces of evidence in the same direction, notably the increase in legislation to remedy home-unemployment, the increase in emigration, the repeated and emphatic statements of Trade Union leaders upon the growth of unemployment, etc. See Chapter I.

We will now ascertain the course of our special exports to foreign countries and to British Dominions respectively.

TABLE 57.—UNITED KINGDOM: THE VALUE OF SPECIAL EXPORTS TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Special Exports.	
	To Foreign Countries.	To British Colonies and Possessions.
	Million £.	Million £
1880—1889	150·2	80 0
1881—1890	153·0	81·3
1882—1891	153·7	81·9
1883—1892	153·3	80·9
1884—1893	152·2	79·8
1885—1894	151·4	79·0
1886—1895	153·4	78·2
1887—1896	155·3	79·1
1888—1897	156·0	79·6
1889—1898	156·0	79·5
1890—1899	156·2	79·9
1891—1900	157·5	80·5
1892—1901	158·0	82·4
1893—1902	159·7	85·7
1894—1903	162·8	89·5
1895—1904	167·0	93·3
1896—1905	172·7	97·4
1897—1906	181·7	101·1
1898—1907	194·4	106·6
1899—1908	203·7	110·6
1900—1909	211·7	114·3
1901—1910	220·8	119·1

Not including ships, which were first recorded in 1899. During 1899-1910 exports of ships to foreign countries averaged 6·43 million £ yearly, and to British Colonies and Possessions 1·15 million £.

During the more recent periods of Table 57, there has been a large increase in our special exports to foreign countries and to British colonies and possessions. And the increase has been relatively larger in regard to British colonies than in regard to foreign countries.

It should be noted that the results in Table 57 include coal, as do all the preceding tables. Exports of coal to foreign countries have greatly increased, and in a later table our exports other than coal will be shown.

We must now apply to the results in Table 57 the test of population, in order to see whether these exports have or have not kept pace with the growth of our population.

TABLE 58—UNITED KINGDOM. THE VALUE OF OUR SPECIAL EXPORTS PER 100 OF POPULATION, 1880-1910, TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY *Yearly Averages during each Decade.*

Decade.	Special Exports per 100 of our Population	
	To Foreign Countries.	To British Colonies and Possessions.
1880—1889	£ 419	£ 223
1881—1890	423	225
1882—1891	421	225
1883—1892	417	220
1884—1893	411	215
1885—1894	405	211
1886—1895	407	207
1887—1896	408	208
1888—1897	407	207
1889—1898	403	205
1890—1899	400	204
1891—1900	399	204
1892—1901	397	207
1893—1902	397	213
1894—1903	401	221
1895—1904	407	228
1896—1905	417	235
1897—1906	435	242
1898—1907	461	252
1899—1908	478	259
1900—1909	492	266
1901—1910	508	274

Excluding ships.

Table 58 shows our special exports relatively to population. There was a prolonged fall in exports to foreign countries, followed by a recent rise, and although our exports to British colonies and possessions were more favourable, the prolonged fall per hundred of population means a large loss of trade relatively to population; but not so large as in regard to foreign countries.

We have to observe that the fall in Table 58 extended over many years, whereas the rise covers only a few years.

Table 59 shows the course of our re-exports to foreign

TABLE 59—UNITED KINGDOM: THE VALUE OF OUR RE-EXPORTS, 1880-1910, TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY *Yearly Averages during each Decade*

Decade.	Re-Exports.	
	To Foreign Countries	To British Colonies and Possessions.
	Million £.	Million £
1880—1889	55·3	7·2
1881—1890	55·4	7·2
1882—1891	55·3	7·2
1883—1892	55·3	7·1
1884—1893	54·7	7·1
1885—1894	54·3	6·9
1886—1895	54·6	6·8
1887—1896	54·6	6·8
1888—1897	54·7	6·7
1889—1898	54·5	6·6
1890—1899	54·4	6·5
1891—1900	54·2	6·6
1892—1901	54·7	6·7
1893—1902	54·6	6·9
1894—1903	55·5	7·1
1895—1904	56·4	7·4
1896—1905	58·0	7·7
1897—1906	60·5	8·0
1898—1907	63·3	8·4
1899—1908	64·9	8·7
1900—1909	67·2	9·0
1901—1910	70·8	9·5

countries and to British colonies and possessions respectively. In both instances there has been slight fluctuation, with a falling tendency, followed by a rise at the end.

Table 60 shows the course of our re-exports to foreign countries and to British colonies and possessions, taking into account the growth of our population.

TABLE 60 — UNITED KINGDOM: THE VALUE OF RE-EXPORTS PER 100 OF POPULATION, 1880-1910, TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY *Yearly Averages during each Decade.*

Decade.	Re-Exports per 100 of our Population.	
	To Foreign Countries.	To British Colonies and Possessions
	£	£
1880—1889	154	20
1881—1890	153	20
1882—1891	151	20
1883—1892	150	20
1884—1893	148	19
1885—1894	145	19
1886—1895	144	18
1887—1896	143	18
1888—1897	143	17
1889—1898	141	17
1890—1899	139	17
1891—1900	137	17
1892—1901	137	17
1893—1902	136	17
1894—1903	137	17
1895—1904	138	18
1896—1905	140	18
1897—1906	145	19
1898—1907	150	20
1899—1908	153	20
1900—1909	156	21
1901—1910	163	22

In both groups a steady fall is well marked throughout, with a recent recovery. This table gives another illustration, if any be needed, of the usefulness of this method of letting the yearly fluctuations be merged in decades and showing only the average yearly results of each successive decade. Again and again we obtain by this method broadly based and well-defined results that throw strong light upon the course of our trade, which can not be seen by any method

of observing individual years of trade, or by selected periods.

The next step in this examination of the course of our export trade is to ascertain the proportion between our special exports to foreign countries and to British colonies and possessions respectively. Table 61 contains the results.

TABLE 61.—UNITED KINGDOM. SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL EXPORTS WENT TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Of every £1000 of Special Exports, the proportion which went		
	To Foreign Countries.	To British Colonies and Possessions.	Total.
	£	£	£
1880—1889	653	347	1000
1881—1890	653	347	1000
1882—1891	652	348	1000
1883—1892	655	345	1000
1884—1893	656	344	1000
1885—1894	657	343	1000
1886—1895	663	337	1000
1887—1896	663	337	1000
1888—1897	662	338	1000
1889—1898	662	338	1000
1890—1899	662	338	1000
1891—1900	662	338	1000
1892—1901	657	343	1000
1893—1902	651	349	1000
1894—1903	645	355	1000
1895—1904	642	358	1000
1896—1905	639	361	1000
1897—1906	642	358	1000
1898—1907	646	354	1000
1899—1908	648	352	1000
1900—1909	649	351	1000
1901—1910	650	350	1000

Excluding ships.

After fluctuation during the first part of the table, we see a nearly steady fall in the proportion of special exports sent to foreign countries, and a corresponding rise in the proportion sent to British colonies and possessions. There

was some recovery in the foreign-proportion at the end of Table 61.

Here, again, it is necessary to bear in mind that these results include coal. Without the great increase in our exports of coal to foreign countries, the fall in Table 61 would be considerably larger.

TABLE 62.—UNITED KINGDOM. SPECIAL EXPORTS OTHER THAN COAL
TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS
RESPECTIVELY, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Special Exports other than Coal		
	To Foreign Countries.	To British Colonies and Possessions.	Total.
	Million £	Million £	Million £.
1880—1889	141·2	78·5	219·7
1881—1890	143·1	79·6	222·7
1882—1891	142·8	80·2	223·0
1883—1892	141·8	79·1	220·9
1884—1893	140·4	78·0	218·4
1885—1894	138·8	77·2	216·0
1886—1895	140·4	76·4	216·8
1887—1896	141·7	77·3	219·0
1888—1897	141·8	77·8	219·6
1889—1898	141·0	77·8	218·8
1890—1899	140·4	78·2	218·6
1891—1900	139·8	78·8	218·6
1892—1901	139·2	80·6	219·8
1893—1902	139·9	83·8	223·7
1894—1903	141·7	87·6	229·3
1895—1904	145·0	91·3	236·3
1896—1905	149·6	95·5	245·1
1897—1906	157·0	99·2	256·2
1898—1907	167·2	104·6	271·8
1899—1908	174·1	108·7	282·8
1900—1909	180·7	112·4	293·1
1901—1910	189·8	117·3	307·1

Excluding ships.

Our special exports other than coal must now be ascertained, for exports of coal are to a large extent exports of capital, which is diminishing and which cannot be replaced, and our coal exports are different in kind from the exports of the products of our yearly industry. No examination of our

export trade can be regarded as complete which omits to distinguish our exports of coal.

Table 62 brings out some important and interesting results concerning our special exports other than coal. It should be looked at side by side with Table 57, which includes coal.

In regard to our special exports other than coal to foreign countries, we see in Table 62 that for many years these exports have been in a stagnant condition, with small fluctuations that have had a falling rather than a rising tendency, until the latter part of the table.

As regards special exports other than coal to British colonies and possessions, these also have been stagnant, or declining, for many years. But lately there has been a large advance in our exports to British colonies,—see the recent decades in Table 62.

And looking now at the total of special exports other than coal, Table 62, we see stagnation and decline throughout a long period, with a rise at the end of the table. See also Table 65.

Applying to the results in Table 62 the usual test of population, we obtain the facts set out in Table 63.

In Table 63 we have the clearest evidence that, relatively to population, our special exports other than coal to foreign countries have for many years been declining. And the large increases in our exports during recent years have been wholly inadequate to compensate the prolonged loss of trade seen in Table 63.

As regards British colonies and possessions, we also see in Table 63 a prolonged fall in special exports other than coal, with a rise in recent years.

And looking at the total of the special exports other than coal in Table 63, there is a large fall, extending over many years, with a rise at the end of the table.

The foregoing results are prominently marked in Table 63, and the regularity and persistence of these results, and of others, go to sustain the opinion that when we treat the trade records with some approach to a scientific method, we are able

to obtain from them valuable information as to the course of trade.

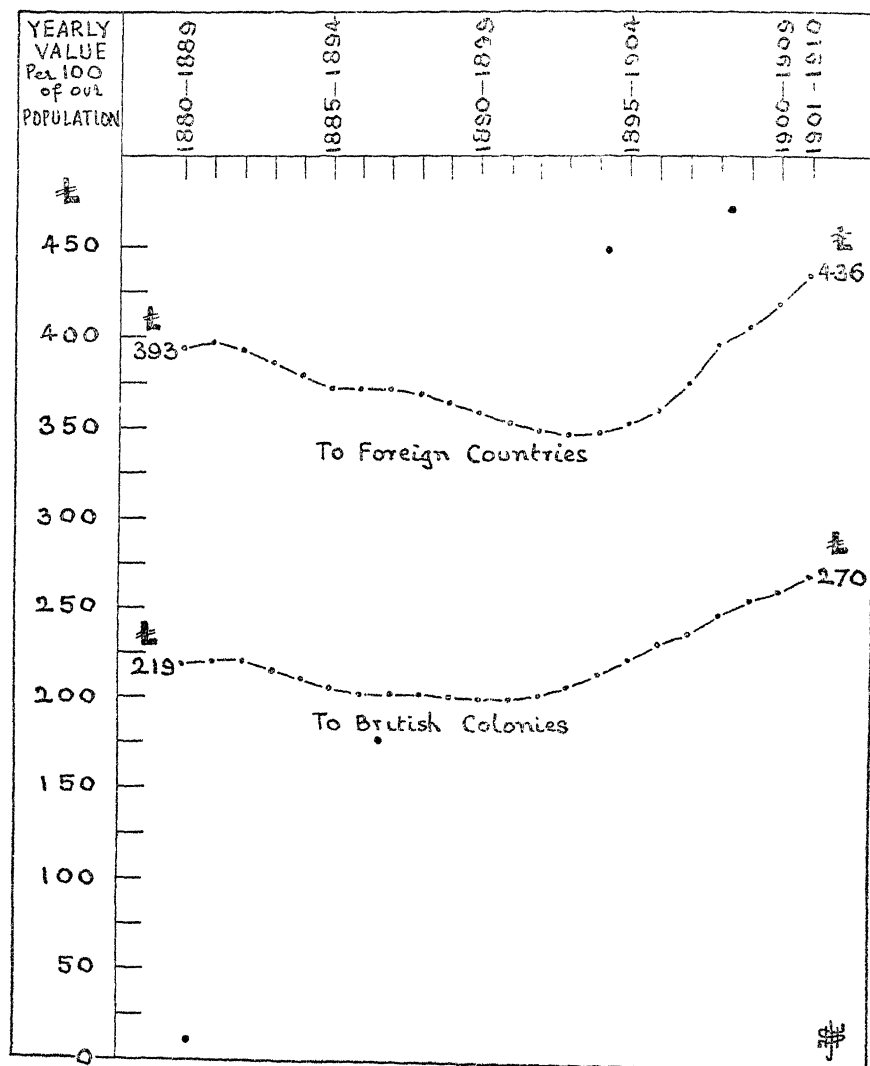
TABLE 63—UNITED KINGDOM · SPECIAL EXPORTS OTHER THAN COAL TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910, PER 100 OF POPULATION. *Yearly Averages during each Decade.*

Decade. •	Special Exports other than Coal, per 100 of our Population.		
	To Foreign Countries	To British Colonies and Possessions.	Total.
	£	£	£
1880—1889	393	219	612
1881—1890	396	220	616
1882—1891	392	220	612
1883—1892	386	215	601
1884—1893	379	210	589
1885—1894	372	206	578
1886—1895	372	203	575
1887—1896	372	203	575
1888—1897	369	203	572
1889—1898	364	201	565
1890—1899	359	200	559
1891—1900	354	200	554
1892—1901	350	202	552
1893—1902	348	208	556
1894—1903	349	216	565
1895—1904	354	222	576
1896—1905	361	231	592
1897—1906	376	237	613
1898—1907	396	248	644
1899—1908	408	255	663
1900—1909	420	261	681
1901—1910	436	270	706

Excluding ships.

We now want to know what, if any, change has occurred in the destination of these special exports other than coal. For this purpose Table 64 has been computed, and it shows how much of every £1000 of special exports other than coal went to foreign countries and to British colonies and possessions respectively. Inspection of Table 64 at once discloses an important change in the destination of these exports. During the latter part of the period observed, the proportion of exports

DIAGRAM XXI.—SEE TABLE 63 UNITED KINGDOM: SPECIAL EXPORTS
OTHER THAN COAL, PER 100 OF OUR POPULATION, 1880-1910 *Yearly*
Averages during each Decade.



Excluding ships.

In judging the extent of the Fall or the Rise, let the eye keep in sight the distance of the base-line O from the part of the curve that is being looked at.

These Special Exports other than Coal declined during the greater part of the whole period 1880-1910, notably the Exports to Foreign Countries. The rise during recent years has not made good the prolonged fall; for this is a rise from a declining position, it is not a rise from a normally progressive position.

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to foreign countries has considerably decreased, with the exception of a recent small recovery, while a corresponding increase has occurred in these exports to British colonies and

TABLE 64—UNITED KINGDOM: SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL EXPORTS OTHER THAN COAL WENT TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910 *Yearly Averages during each Decade*

Decade	Of every £1000 of Special Exports other than Coal, the proportion which went		
	To Foreign Countries.	To British Colonies and Possessions.	Total.
	£	£	£
1880—1889	643	357	1000
1881—1890	642	358	1000
1882—1891	640	360	1000
1883—1892	642	358	1000
1884—1893	643	357	1000
1885—1894	643	357	1000
1886—1895	647	353	1000
1887—1896	647	353	1000
1888—1897	646	354	1000
1889—1898	644	356	1000
1890—1899	642	358	1000
1891—1900	640	360	1000
1892—1901	633	367	1000
1893—1902	626	374	1000
1894—1903	618	382	1000
1895—1904	614	386	1000
1896—1905	610	390	1000
1897—1906	613	387	1000
1898—1907	616	384	1000
1899—1908	616	384	1000
1900—1909	617	383	1000
1901—1910	618	382	1000

Excluding ships.

possessions. The course of our trade in this respect is very plainly shown.

Table 65 throws some useful light upon the vast increase in our exports of coal to foreign countries. The results emphasise the necessity to distinguish our coal exports if we desire to see the progress and regress of our commerce. The large rise in the proportion of our coal exports, and the

large fall in the proportion of our exports other than coal to foreign countries, are most striking. And equally salient in Table 65 is the small proportion and the steadiness of our

TABLE 65.—UNITED KINGDOM: SHOWING HOW MUCH PER £100 OF SPECIAL EXPORTS WERE SPECIAL EXPORTS OTHER THAN COAL, AND SPECIAL EXPORTS OF COAL, TO FOREIGN COUNTRIES AND TO BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910 *Yearly Averages during each Decade*

Decade	Per £100 of Special Exports to Foreign Countries.			Per £100 of Special Exports to British Colonies and Possessions.		
	Other than Coal.	Coal.	Total.	Other than Coal.	Coal.	Total.
	Per £100 £	Per £100. £	Per £100 £	Per £100 £	Per £100 £	Per £100 £
1880—1889	94·0	6 0	100 0	98 1	1 9	100 0
1881—1890	93·5	6·5	100·0	97·9	2·1	100 0
1882—1891	92 9	7·1	100·0	97 9	2·1	100·0
1883—1892	92 5	7·5	100·0	97·8	2·2	100·0
1884—1893	92 2	7 8	100·0	97 7	2 3	100 0
1885—1894	91 7	8·3	100·0	97·7	2 3	100 0
1886—1895	91·4	8·6	100 0	97·7	2 3	100 0
1887—1896	91·2	8 8	100 0	97·7	2 3	100·0
1888—1897	90 9	9 1	100·0	97·7	2 3	100·0
1889—1898	90 4	9 6	100·0	97 9	2·1	100 0
1890—1899	89 9	10 1	100·0	97 9	2 1	100 0
1891—1900	88·8	11·2	100·0	97 8	2·2	100 0
1892—1901	88 1	11 9	100·0	97·8	2·2	100 0
1893—1902	87 6	12 4	100·0	97·8	2 2	100 0
1894—1903	87 0	13·0	100 0	97·9	2 1	100·0
1895—1904	86·8	13 2	100 0	97·9	2 1	100 0
1896—1905	86 7	13·3	100·0	98·0	2 0	100 0
1897—1906	86·5	13·5	100 0	98 0	2 0	100 0
1898—1907	86·1	13·9	100 0	98 0	2·0	100 0
1899—1908	85·4	14·6	100 0	98·3	1 7	100 0
1900—1909	85·3	14·7	100 0	98·3	1 7	100 0
1901—1910	86·0	14·0	100·0	98 5	1 5	100·0

Excluding ships.

Example.—During the first decade, 94 per cent. of our Special Exports to Foreign Countries were exports other than coal; during the last decade, only 86 per cent. of our Special Exports to Foreign Countries were exports other than coal. Our Special Exports to British Colonies remained nearly constant, at approximately 98 per cent. other than coal, and 2 per cent. coal.

coal exports to British colonies. Here we have, side by side, two largely different *qualities* of export trade. Our special exports to foreign countries, throughout 1880-1909 have been

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more and more made up of coal, and less and less made up of exports other than coal. But our special exports to British colonies have been made up of a small and nearly constant proportion of coal—£2 per £100—and of a large and nearly constant proportion of exports other than coal—£98 per £100.

This important distinction should be kept in mind when questions arise as to our special exports to foreign countries and to British colonies respectively.

TABLE 66.—UNITED KINGDOM: SPECIAL EXPORTS, DISTINGUISHING (a) COAL, (b) MACHINERY, (c) ALL OTHER SPECIAL EXPORTS, 1880-1910
Yearly Averages during each Decade.

Decade.	Special Exports (Table 54) distinguished as to		
	Coal.	Machinery.	All Other Special Exports.
	Million £	Million £	Million £
1880—1889	10.5	11.9	207.8
1881—1890	11.6	12.6	210.1
1882—1891	12.6	13.2	209.8
1883—1892	13.3	13.4	207.5
1884—1893	13.7	13.4	204.9
1885—1894	14.3	13.5	202.6
1886—1895	14.8	14.0	202.8
1887—1896	15.3	14.6	204.5
1888—1897	16.0	15.2	204.4
1889—1898	16.7	15.7	203.1
1890—1899	17.5	16.1	202.5
1891—1900	19.5	16.4	202.1
1892—1901	20.6	16.6	203.2
1893—1902	21.7	17.1	206.6
1894—1903	23.0	17.7	211.6
1895—1904	23.9	18.4	218.0
1896—1905	25.0	19.2	225.9
1897—1906	26.6	20.2	236.0
1898—1907	29.2	21.7	250.1
1899—1908	31.5	23.0	259.8
1900—1909	32.9	23.8	269.3
1901—1910	32.8	24.8	282.3

*Excluding ships. **

* Including Sewing Machines.

There is one other principal distinction, in addition to coal, which should be made, namely, our exports of machinery,

which have steadily increased.* It is instructive to examine the course of our special exports, distinguishing (*a*) coal, (*b*) machinery, and (*c*) all other exports. This is done in Table 66, and it is interesting to observe how clearly the salient features of our special export trade are disclosed. We see a large and steady increase in exports of coal, a steady and somewhat smaller increase in machinery, and a considerable and prolonged fall in other special exports, with a large rise during recent years. This prolonged fall in special exports other than coal and machinery means a large loss of exports, which is not adequately made up by the increase in the later periods of Table 66. This matter of past losses of trade is commonly overlooked, but it is an important thing to take note of in any serious study of the course of our trade. For example, our exports of machinery in Table 66 are an illustration of vigorous trade in machinery, and our "other special exports" in Table 66 are an illustration of weak trade, with the exception of recent years.

We must now apply the population test to the facts in Table 66.

Table 67 shows a large and steady rise in exports of coal, which have increased more than twice as fast as our population has increased.

The advance in exports of machinery has also been continuous, and at a much quicker rate than the growth of our population.

But in "other special exports" there has been a large fall; these exports have largely failed to keep pace with the growth of our population. The rise in recent years is trivial in its practical effect when compared with the large and continued fall during many preceding years.

We may usefully ascertain, for each successive decade, how much of every £1000 of special exports related to (*a*) coal, (*b*) machinery, and (*c*) other special exports. Table 68 contains the results of this examination. We see a large increase

* See Chapter I., Table 4.

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in the proportion of coal exports per £1000 of exports. For example, during the first decade, 1880-1889, £45 per £1000 of special exports were exports of coal. But during the last

TABLE 67—UNITED KINGDOM. SPECIAL EXPORTS, DISTINGUISHING (a) COAL, (b) MACHINERY, (c) ALL OTHER SPECIAL EXPORTS, 1880-1910, PER 100 OF POPULATION *Yearly Averages during each Decade*

Decade.	Special Exports. per 100 of our Population (Table 55), distinguished as to		
	Coal	Machinery.*	All Other Special Exports
	£	£	£
1880—1889	29	33	580
1881—1890	32	35	581
1882—1891	35	36	575
1883—1892	36	36	565
1884—1893	37	36	553
1885—1894	38	36	542
1886—1895	39	37	538
1887—1896	40	38	538
1888—1897	42	40	532
1889—1898	43	41	524
1890—1899	45	41	518
1891—1900	49	42	512
1892—1901	52	42	510
1893—1902	54	42	514
1894—1903	56	44	522
1895—1904	58	45	532
1896—1905	60	46	546
1897—1906	64	48	565
1898—1907	69	51	593
1899—1908	74	54	609
1900—1909	76	55	627
1901—1910	76	57	649

Excluding ships

* Including Sewing Machines.

decade, 1901-1910, no less than £97 per £1000 of special exports were exports of coal; and, as Table 68 shows, there was a nearly constant increase in coal exports between these two decades.

The proportion of exports of machinery was £52 per £1000 of all special exports during 1880-1889, and £73 per £1000

during 1901-1910, with a constant rise between the first and the last decade.

TABLE 68—UNITED KINGDOM. SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL EXPORTS RELATED TO (a) COAL, (b) MACHINERY, (c) ALL OTHER SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Every £1000 of Special Exports (Table 54) was made up as follows			
	Coal	Machinery.	All Other Special Exports.	Total.
	£	£	£	£
1880—1889	45	52	903	1000
1881—1890	49	54	897	1000
1882—1891	54	56	890	1000
1883—1892	57	57	886	1000
1884—1893	59	58	883	1000
1885—1894	62	59	879	1000
1886—1895	64	60	876	1000
1887—1896	65	62	873	1000
1888—1897	68	65	867	1000
1889—1898	71	67	862	1000
1890—1899	74	68	858	1000
1891—1900	82	69	849	1000
1892—1901	86	69	845	1000
1893—1902	88	70	842	1000
1894—1903	91	70	839	1000
1895—1904	92	70	838	1000
1896—1905	93	71	836	1000
1897—1906	94	71	835	1000
1898—1907	97	72	831	1000
1899—1908	100	73	827	1000
1900—1909	101	73	826	1000
1901—1910	97	73	830	1000

Excluding ships.

* Including Sewing Machines.

And, looking now at "other special exports" in Table 68 we see that during the first decade these were £903 per £1000 of the total, and that during the last decade this proportion had fallen to only £830 per £1000. With a nearly constant decrease throughout Table 68.

The most important result disclosed in Table 68 is the large increase in our coal exports relatively to all special

exports. This is an outstanding feature of the course of our special export trade.

The preceding general examination of our export trade, the results of which are contained in Tables 54 to 68, will, it is hoped, serve to prevent the continuance of many confusing and contradictory statements. For whether the features now disclosed are or are not satisfactory, they are certainly based upon a wide survey, and they have been obtained by the use of a method which is immeasurably more valid than the common plan of looking at yearly results, whose fluctuations prevent any sound conclusion being deduced from them.

The clearly defined results that have been shown are undoubtedly prominent features of the course of our trade, which can be seen only when we study continuous periods and ignore individual years of trade. Moreover, we have seen the necessity to analyse our export trade, in place of merely looking at it as a whole.

We may now take out one or two specimen abstract tables.

Table 69 shows that special exports from the United Kingdom during 1901-1910 were 1019 million £ more than during 1891-1900, the corresponding increase in our special imports being 1204 million £—see Table 47. These results cover the whole of each decade, they are not yearly results. The latter are one-tenth part of the amounts stated.

The results in Table 69 cover all of our special exports, without distinction as to their destination or their nature. And we have seen that it is essential to analyse our exports in both of these directions. Table 70 shows the results in regard to our special exports other than coal to foreign countries. Here we see an actual decrease during the first four comparisons of decades, and an increase in the later comparisons.

Coming now to an analysis of the different classes of special export trade, these four classes are the same as in Chapter II., and some valuable results are seen, although it is not possible to go back as far as 1880 for all the four classes.

TABLE 69.—ABSTRACT FROM TABLE 54—SPECIAL EXPORTS FROM
THE UNITED KINGDOM, 1880-1910.

Decades compared.	Yearly Averages during each Decade.	Average Yearly Increase during the later of the two compared Decades	Total Increase during the later of the two compared Decades
	Million £	Million £	Million £
1880—1889 and 1890—1899	230.2 } 236.1 }	5.9	59
1881—1890 and 1891—1900	234.3 } 238.0 }	3.7	37
1882—1891 and 1892—1901	235.6 } 240.4 }	4.8	48
1883—1892 and 1893—1902	234.2 } 245.4 }	11.2	112
1884—1893 and 1894—1903	232.0 } 252.3 }	20.3	203
1885—1894 and 1895—1904	230.4 } 260.3 }	29.9	299
1886—1895 and 1896—1905	231.6 } 270.1 }	38.5	385
1887—1896 and 1897—1906	234.4 } 282.8 }	48.4	484
1888—1897 and 1898—1907	235.6 } 301.0 }	65.4	654
1889—1898 and 1899—1908	235.5 } 314.3 }	78.8	788
1890—1899 and 1900—1909	236.1 } 326.0 }	89.9	899
1891—1900 and 1901—1910	238.0 } 339.9 }	101.9	1019

* *Excluding ships.*

* Compare these results with the increase in Special Imports shown in Table 47.

TABLE 70—ABSTRACT FROM TABLE 62—SPECIAL EXPORTS OTHER THAN COAL TO FOREIGN COUNTRIES FROM THE UNITED KINGDOM, 1880-1910

Decades compared	Yearly Averages during each Decade	Average Yearly Increase or Decrease during the later of the two compared Decades	Total Increase or Decrease during the later of the two compared Decades
	Million £	Million £	Million £
1880—1889 and 1890—1899	141.2 140.4	0.8—A Decrease	8—A Decrease
1881—1890 and 1891—1900	143.1 139.8	3.3—A Decrease	33—A Decrease
1882—1891 and 1892—1901	142.8 139.2	3.6—A Decrease	36—A Decrease
1883—1892 and 1893—1902	141.8 139.9	1.9—A Decrease	19—A Decrease
1884—1893 and 1894—1903	140.4 141.7	1.3—An Increase	13—An Increase
1885—1894 and 1895—1904	138.8 145.0	6.2—An Increase	62—An Increase
1886—1895 and 1896—1905	140.4 149.6	9.2—An Increase	92—An Increase
1887—1896 and 1897—1906	141.7 157.1	15.4—An Increase	154—An Increase
1888—1897 and 1898—1907	141.8 167.3	25.5—An Increase	255—An Increase
1889—1898 and 1899—1908	141.0 174.1	33.1—An Increase	331—An Increase
1890—1899 and 1900—1909	140.4 180.7	40.3—An Increase	403—An Increase
1891—1900 and 1901—1910	139.8 189.8	50.0—An Increase	500—An Increase

Excluding ships.

In Table 71 the notable feature is the prolonged stagnation of our special exports in Class III., articles wholly or mainly manufactured. And the rise at the end, satisfactory as it is, does not, of course, in any way adequately compensate our manufacturers and workmen for the prolonged stagnation in this most important part of our special export trade

TABLE 71.—UNITED KINGDOM. THE VALUE OF SPECIAL EXPORTS,
1880-1910 *Yearly Averages during each Decade*

DISTINGUISHING THE CLASSES OF EXPORTS

Decade.	Class I. Food, Drink, and Tobacco	Class II. Raw Materials and Articles Mainly Un- manufactured.	Class III Articles Wholly or Mainly Manu- factured.†	Class IV. Miscellane- ous, etc	Total Special Exports (Table 51).
	Million £	Million £	Million £.	Million £	Million £
1880—1889			201.6		230.2
1881—1890			204.5		234.3
1882—1891			204.9		235.6
1883—1892			202.9		234.2
1884—1893	Can not be stated before 1891	Can not be stated before 1891	200.4	Can not be stated before 1891	232.0
1885—1894			198.1		230.4
1886—1895			198.7		231.6
1887—1896			200.7		234.4
1888—1897			201.0		235.6
1889—1898			200.1		235.5
1890—1899			199.5		236.1
1891—1900	11.4	25.4	198.9	2.3	238.0
1892—1901	11.9	26.7	199.2	2.6	240.4
1893—1902	12.6	27.9	202.0	2.9	245.4
1894—1903	13.3	29.4	206.4	3.2	252.3
1895—1904	13.9	30.8	212.2	3.4	260.3
1896—1905	14.8	32.3	219.3	3.7	270.1
1897—1906	15.8	34.5	228.4	4.1	282.8
1898—1907	16.9	37.7	242.0	4.4	301.0
1899—1908	17.8	40.6	251.2	4.7	314.3
1900—1909	18.9	42.7	259.4	5.0	326.0
1901—1910	20.1	43.5	270.8	5.5	339.9

* Excluding ships.

† Largely coal.

‡ Manufactured Exports are dealt with in Chapter VI.

But Table 72 is more instructive than Table 71, because it shows the course of our special export trade, in each class, per £1000 of the total for all the four classes combined. Here we have the plainest evidence that throughout 1880-1910

our exports of manufactured goods have been constantly declining relatively to our special exports of all sorts, and this despite the large rises in our export trade during recent years.

TABLE 72.—UNITED KINGDOM: SPECIAL EXPORTS,* DISTINGUISHED AS TO CLASSES, AND SHOWING THE PROPORTION OF EACH CLASS PER £1000 OF SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade*

Decade.	Class I. Food, Drink, and Tobacco	Class II. Raw Materials and Articles mainly Un- manufactured	Class III. Articles wholly or mainly Manufactured ‡	Class IV. Miscellane- ous, etc	Total Special Exports.
Proportion per £1000 of Special Exports.					
	£	£	£	£	£
1880—1889			875		1000
1881—1890			873		1000
1882—1891			869		1000
1883—1892			866		1000
1884—1893	Can not be stated	Can not be stated	863	Can not be stated	1000
1885—1894	before	before	860	before	1000
1886—1895	1891	1891	858	1891	1000
1887—1896			856		1000
1888—1897			853		1000
1889—1898			850		1000
1890—1899			845		1000
1891—1900	48	106	836	10	1000
1892—1901	49	111	829	11	1000
1893—1902	51	114	823	12	1000
1894—1903	53	117	818	12	1000
1895—1904	54	118	815	13	1000
1896—1905	55	119	812	14	1000
1897—1906	56	122	808	14	1000
1898—1907	56	125	804	15	1000
1899—1908	57	129	799	15	1000
1900—1909	58	131	796	15	1000
1901—1910	59	128	797	16	1000

* Excluding ships.

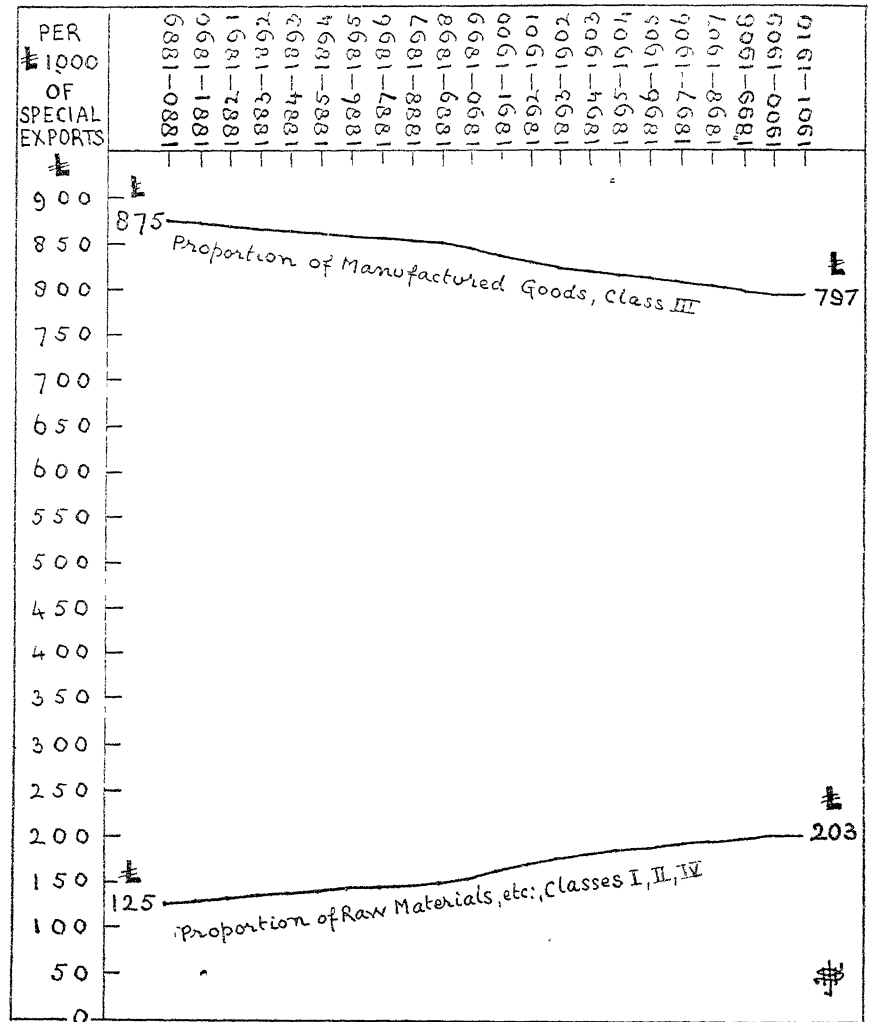
† Largely coal.

‡ Manufactured Exports are dealt with in Chapter VI.

Note.—The above results show the depreciation in the Quality of our special exports. During the first decade, each £1000 of our special exports was made up of £875 of Manufactured Goods, and of £125 of Raw Materials, etc., in Classes I., II., and IV; during the last decade, each £1000 of our special exports was made up of £797 of Manufactured Goods, and of £203 of Raw Materials, etc., in Classes I., II., and IV. Compare with Table 49.

Table 72 shows that our exports in Class I. (food, etc.) and in Class II. (raw material, etc.) have constantly increased

DIAGRAM XXII—SEE TABLE 72 UNITED KINGDOM· SHOWING THE DEPRECIATION IN THE QUALITY OF THE SPECIAL EXPORT TRADE, BY MEANS OF SEPARATING EACH £1000 OF SPECIAL EXPORTS INTO EXPORTS OF MANUFACTURED GOODS, CLASS III, AND EXPORTS OF RAW MATERIAL, ETC., IN CLASSES I, II, IV, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Observe the steady fall in the Quality of our special export trade.

Example.—During the first decade, each £1000 of our special exports was made up of £875 of Manufactured Goods, Class III., and of £125 of Raw Materials, etc., in Classes I., II., IV; during the last decade, only £797 per £1000 of our special exports were Manufactured Goods, and £203 per £1000 were exports of Raw Material, etc., in Classes I., II., IV.

their respective shares of our total special exports during 1891-1910, these being the only years for which the facts relating to each of Classes I. and II. can be stated.

But Table 72 enables us to get at the following important result relating to the whole period 1880-1910.

During the first decade, 1880-1889, our exports of manufactured goods were £875 per £1000 of our special exports, and it follows that our exports in Classes I., II., and IV. were worth £125 per £1000 of our special exports. But in the decade 1890-1899, the last of the blank decades in Table 72, our exports of manufactured goods had fallen to £845 per £1000, and it follows that in the same decade our exports of food, raw material, etc., had risen to £155 per £1000 of our total special exports. And in the last decade, 1901-1910, our exports of manufactured goods had fallen to £797 per £1000, while our exports in Classes I., II., and IV. had risen to £203 per £1000 of our total special export trade. That is a most plainly marked feature of our export trade, and it shows the fallaciousness of basing opinion upon the results for this or that year without analysing the quality of our exports; and this result exposes the error of accepting big figures, as in recent years, as a sure indication of great progress in our special export trade.

We must now look at the available facts which relate to the destination of each class of our exports—Table 73.

Here we can examine only the eleven years 1899-1909. This period is too short to admit of any satisfactory treatment other than the taking out of the yearly average during these eleven years. The upper part of Table 73 shows the values, and the lower part states the more useful proportions, concerning the destination of each class of our special exports.

We note that in Class II., raw materials, etc. (mainly coal), £93 per £100 of our exports in Class II. go to foreign countries, and £7 per £100 go to British colonies. Side by side with this result we have that relating to Class III., manufactured goods, which shows that £62 per £100 of these

goods go to foreign countries and £38 per £100 to British colonies. These two leading results, taken in combination, are plain evidence that the quality of our exports to British colonies is of much greater value to us, relatively to the volume of trade, than the quality of our exports to foreign countries ;

TABLE 73.—UNITED KINGDOM SPECIAL EXPORTS,* DISTINGUISHED AS TO CLASSES, AND ALSO AS TO THE DESTINATION OF EACH CLASS OF EXPORTS, 1899-1909 † *Yearly Averages during these eleven years*

Classes of Special Exports.	To Foreign Countries.	To British Colonies.	To Both Destinations
	Million £	Million £	Million £
Class I —Food, Drink, and Tobacco .	10·0	8·4	18·4
Class II —Raw Materials, etc. .	38·4	3 1	41 5
Class III.—Manufactured Articles .	162 8	99·5	262 3
Class IV.—Miscellaneous, etc .	2 8	2·0	4·8
Classes I. to IV.	214 0	113·0	327 0
Proportion to Foreign Countries and to British Colonies respectively.			
Classes of Special Exports.	To Foreign Countries.	To British Colonies.	To Both Destinations
	£	£	£
Class I —Food, Drink, and Tobacco .	54	46	100
Class II.—Raw Materials, etc .	93	7	100
Class III.—Manufactured Articles .	62	38	100
Class IV —Miscellaneous, etc. . .	59	41	100
Classes I. to IV.	65	35	100

Including ships.

† These are the only years for which the facts can be stated.

for our exports to British colonies are, relatively to their volume, more productive of employment in the United Kingdom than are our exports to foreign countries. And if only for that reason, not to mention the more important principle of Imperial Consolidation, it is much to be regretted that at the Imperial Conference of 1907 the endeavours of British

colonies to enter upon closer trade relations with the United Kingdom were wholly discouraged.

Following the line of investigation of our imports in Chapter II., we will now examine our exports classified into exports to the Principal Protected Foreign Countries, and to All Other Destinations including British Dominions and Colonies. The first group relates to the same foreign countries as do Tables 51, 52, 53 of Chapter II. Similarly with the second group.

In Table 74 we see that during the greater part of the long period observed there was stagnation in our special exports to the Principal Protected Foreign Countries, followed by a rise during recent years. This result is worth noting in comparison with the large rise in our imports from this group of countries shown in column (*a*) of Table 51. It tends to show that our policy of free imports does not enable us to maintain our sales to this group of the principal protected foreign countries to anything approaching the extent to which this group of foreign countries maintain and increase their sales to us. Moreover, Table 74 includes our exports of coal which have been progressive. Lacking coal, our export trade to this protected group in column (*a*) of Table 74 would show a worse result than it does show.

Table 74 discloses that our exports to All Other Destinations have advanced much more than our exports to the principal protected foreign nations. This second group includes the less highly protected foreign nations and also all British Dominions and Colonies, the more important of which give preferential tariff treatment to our goods.

The excess of our exports to All Other Destinations over our exports to the Principal Protected Foreign Countries in Table 74 is clearly shown in column (*d*). We see that this excess has largely increased from 38.6 million £ yearly during the first decade to 87.8 million £ yearly during the last decade.

This fact points to the conclusion that it is more easy

for us to sell goods to the less highly protected markets and to British Imperial markets where we receive a preferential tariff treatment, than to sell our goods in the markets of the principal protected foreign countries. It contradicts

TABLE 74—UNITED KINGDOM. THE VALUE OF SPECIAL EXPORTS, DISTINGUISHING SPECIAL EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909 *Yearly Averages during each Decade*

Decade.	To the Principal Protected Foreign Countries.	To All Other Destinations, including British Colonies.	Total (a + b). As in Table 54.	Excess of (b) over (a).
	(a)	(b)	(c)	(d)
	Million £	Million £	Million £.	Million £
1880—1889	95.8	134.4	230.2	38.6
1881—1890	96.8	137.5	234.3	40.7
1882—1891	96.8	138.8	235.6	42.0
1883—1892	95.8	138.4	234.2	42.6
1884—1893	94.6	137.4	232.0	42.2
1885—1894	93.5	136.9	230.4	43.4
1886—1895	94.5	137.1	231.6	42.6
1887—1896	94.9	139.5	234.4	44.6
1888—1897	94.9	140.7	235.6	45.8
1889—1898	94.6	140.9	235.5	46.3
1890—1899	94.8	141.3	236.1	46.5
1891—1900	95.6	142.4	238.0	46.8
1892—1901	95.3	145.1	240.4	49.8
1893—1902	96.1	149.3	245.4	53.2
1894—1903	97.5	154.8	252.3	57.3
1895—1904	99.1	161.2	260.3	62.1
1896—1905	100.6	169.5	270.1	68.9
1897—1906	104.6	178.2	282.8	73.6
1898—1907	110.9	190.1	301.0	79.2
1899—1908	115.4	198.9	314.3	83.5
1900—1909	119.1	206.9	326.0	87.8

Excluding ships.

* These countries are Russia, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Austria-Hungary, Switzerland, the United States. (Board of Trade classification.)

the theory that we can successfully fight high foreign tariffs with our system of free imports.

In Table 75 we see the result of applying the population test to our special exports sent to each of the two groups of countries now being examined.

These exports per 100 of our population to the principal

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protected foreign countries fell from £267 during the first decade to £239 during the decade 1893-1902. Thereafter a rise occurred which has recently enabled us to get back to the level of 1880-1889 and slightly above it. But consider

TABLE 75 —UNITED KINGDOM: THE VALUE OF OUR SPECIAL EXPORTS PER 100 OF OUR POPULATION, 1880-1909, TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES AND TO ALL OTHER DESTINATIONS RESPECTIVELY. *Yearly Averages during each Decade*

Decade.	Special Exports per 100 of our Population.		
	To the Principal Protected Foreign Countries	To All Other Destinations, including British Colonies.	Total. As in Table 55.
	(a)	(b)	
1880—1889	£ 267	£ 375	£ 642
1881—1890	268	380	648
1882—1891	265	381	646
1883—1892	261	376	637
1884—1893	255	371	626
1885—1894	250	366	616
1886—1895	250	364	614
1887—1896	249	367	616
1888—1897	247	367	614
1889—1898	244	364	608
1890—1899	243	361	604
1891—1900	242	361	603
1892—1901	239	365	604
1893—1902	239	371	610
1894—1903	240	382	622
1895—1904	242	393	635
1896—1905	243	409	652
1897—1906	250	427	677
1898—1907	263	450	713
1899—1908	270	467	737
1900—1909	277	481	758

Excluding ships.

the loss of trade during many intervening years caused by the prolonged fall shown in column (a) of Table 75. The rise since 1903 has in no way adequately compensated for that loss.

Our special exports to all other destinations in column (b) of Table 75 also fell for some while. But not to nearly the same extent as the fall in column (a). However, even in

this group the loss has been very considerable, and it has not been made good by the large rise in recent years in our exports to these less highly protected foreign countries and British Dominions.

It is useful to see in Table 76 the distribution of our special exports to the two groups of markets. As regards

TABLE 76.—UNITED KINGDOM SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL EXPORTS WENT TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES AND TO ALL OTHER DESTINATIONS RESPECTIVELY, 1880-1909 *Nearly Averages during each Decade* -

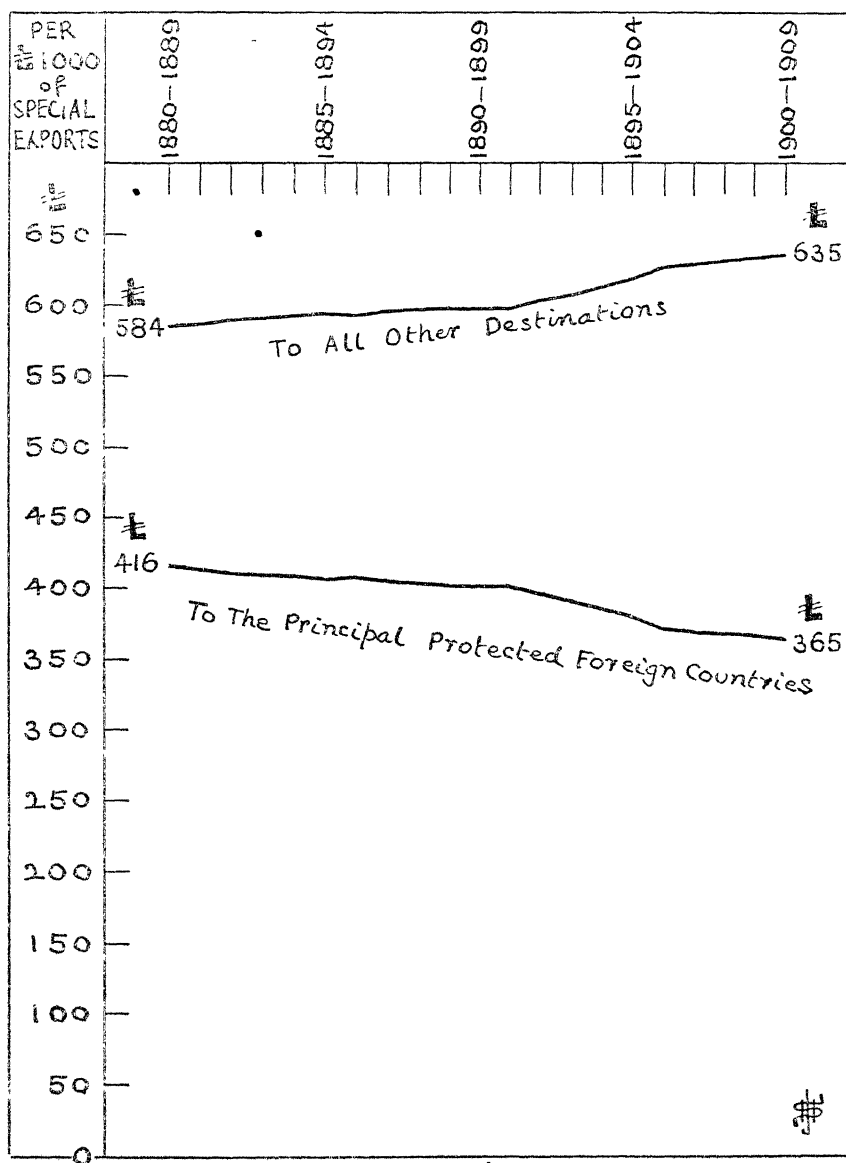
Decade	Of every £1000 of Special Exports, the proportion which went		
	To the Principal Protected Foreign Countries	To All Other Destinations, including British Colonies.	Total.
	£	£	£
1880—1889	416	584	1000
1881—1890	413	587	1000
1882—1891	411	589	1000
1883—1892	409	591	1000
1884—1893	408	592	1000
1885—1894	406	594	1000
1886—1895	408	592	1000
1887—1896	405	595	1000
1888—1897	403	597	1000
1889—1898	402	598	1000
1890—1899	402	598	1000
1891—1900	402	598	1000
1892—1901	396	604	1000
1893—1902	392	608	1000
1894—1903	386	614	1000
1895—1904	381	619	1000
1896—1905	372	628	1000
1897—1906	370	630	1000
1898—1907	368	632	1000
1899—1908	367	633	1000
1900—1909	365	635	1000

Excluding ships.

the principal protected foreign countries, we sent to them during the first decade £416 per £1000 of our special exports. This proportion fell largely and almost continuously to £365 per £1000 during the last decade.

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DIAGRAM XXIII SEE TABLE 76. UNITED KINGDOM. SHOWING THE DESTINATION OF EACH £1000 OF OUR SPECIAL EXPORTS, DISTINGUISHING EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES AND EXPORTS TO ALL OTHER DESTINATIONS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, £416 per £1000 of our Special Exports went to the Principal Protected Foreign Countries; during the last decade, only £365 per £1000. This plainly marked trade tendency shows that we do not successfully fight foreign tariffs by our policy called Free Trade: theoretically, we are supposed to be able to do so.

Looking at the second group in Table 76, we find that our exports to all other destinations increased from £584 per £1000 to £635 per £1000.

These results confirm that already obtained, namely, that our policy of free imports does not enable us successfully to fight the high tariffs of foreign countries. This is not a matter of opinion: it is a matter of investigated fact, upon a wide fact-base, now disclosed.

TABLE 77—UNITED KINGDOM: THE RATE OF GROWTH OF SPECIAL EXPORTS, DISTINGUISHING SPECIAL EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909 *Yearly Averages during each Decade*

Decade.	Growth of Special Exports (beginning at 100).		
	To the Principal Protected Foreign Countries.	To All Other Destinations, including British Colonies.	To All Destinations.
	(a)	(b)	
	Per cent	Per cent	Per cent
1880—1889	100	100	100
1881—1890	101	102	102
1882—1891	101	103	102
1883—1892	100	103	102
1884—1893	99	102	101
1885—1894	98	102	100
1886—1895	99	102	101
1887—1896	99	104	102
1888—1897	99	105	102
1889—1898	99	105	102
1890—1899	99	105	103
1891—1900	100	106	103
1892—1901	99	108	104
1893—1902	100	111	107
1894—1903	102	115	110
1895—1904	103	120	113
1896—1905	105	126	117
1897—1906	109	133	123
1898—1907	116	142	131
1899—1908	120	148	137
1900—1909	124	154	142

Excluding ships.

In Table 77 we see the rate of progress made by our special exports to each of the two groups of oversea markets. A

glance at column (*a*) which relates to the principal protected foreign markets, shows stagnation or regress during nearly all of the period observed. The recent years of record trade have caused the short rise at the end of column (*a*) of Table 77.

Looking at column (*b*) of Table 77, which relates to our exports to all other destinations, we see that the period of slight progress, although it was of considerable duration, was much shorter than in column (*a*) relating to the principal protected foreign countries. We also see that the rise in column (*b*) was much greater than in column (*a*). This is further confirmation of the now ascertained fact that our present trade policy does not enable us to sell goods easily in foreign markets protected by a high tariff.

One of the most important pieces of investigation in this matter is the paying-power test, as applied respectively to our exports to the principal protected foreign countries and to our exports to all other destinations. These results are shown in Table 78.

During the first decade, our special exports to the principal protected foreign countries paid for £289 per £1000 of our special imports; during the last decade, these exports paid for only £241 per £1000 of our special imports; and there was an even larger intervening fall.

Our special exports to all other destinations, column (*b*) of Table 78, fell off to a much smaller extent in their capacity to pay for our special imports, and the rise in recent years has been considerable. Taking the first and the last decade, the rise in paying-power has been from £406 to £419 per £1000 of our special imports paid for by our special exports to all other destinations, column (*b*) of Table 78.

Table 79 contains the results relating to our general exports, namely, to our special exports plus our re-exports. This section is not so important as our special export trade. But here also we see a prolonged stagnation in our exports to the principal protected foreign countries, with a rise at

the end that does not go far to compensate for the prolonged loss of sales.

TABLE 78—UNITED KINGDOM: SHOWING HOW MUCH PER £1000 OF OUR SPECIAL IMPORTS IN TABLE 41 WAS PAID FOR BY OUR SPECIAL EXPORTS, DISTINGUISHING OUR SPECIAL EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Paying-Power Test. Value of Special Exports per £1000 of all Special Imports in Table 41.		
	Special Exports to the Principal Protected Foreign Countries.	Special Exports to All Other Destinations, including British Colonies.	Total (a+b). As in Table 55.
	(a)	(b)	(c)
	£	£	£
1880—1889	289	406	695
1881—1890	292	414	706
1882—1891	289	413	702
1883—1892	284	411	695
1884—1893	282	410	692
1885—1894	277	405	682
1886—1895	276	401	677
1887—1896	270	397	667
1888—1897	263	391	654
1889—1898	256	382	638
1890—1899	253	377	630
1891—1900	248	370	618
1892—1901	242	369	611
1893—1902	238	370	608
1894—1903	234	372	606
1895—1904	231	375	606
1896—1905	228	383	611
1897—1906	229	391	620
1898—1907	235	402	637
1899—1908	239	412	651
1900—1909	241	419	660

Excluding ships.

The characteristic of our general exports to all other destinations was a slight rise followed by a large rise, column (b) of Table 79.

It is specially instructive to observe in column (d) of Table 79 the large increase in the excess of our general exports to all other destinations over our general exports to

the principal protected foreign countries. During the first decade, this excess was only 1·9 million £ yearly. The two groups of markets were then very nearly on a level as regards our capacity to sell goods in them. But during the last

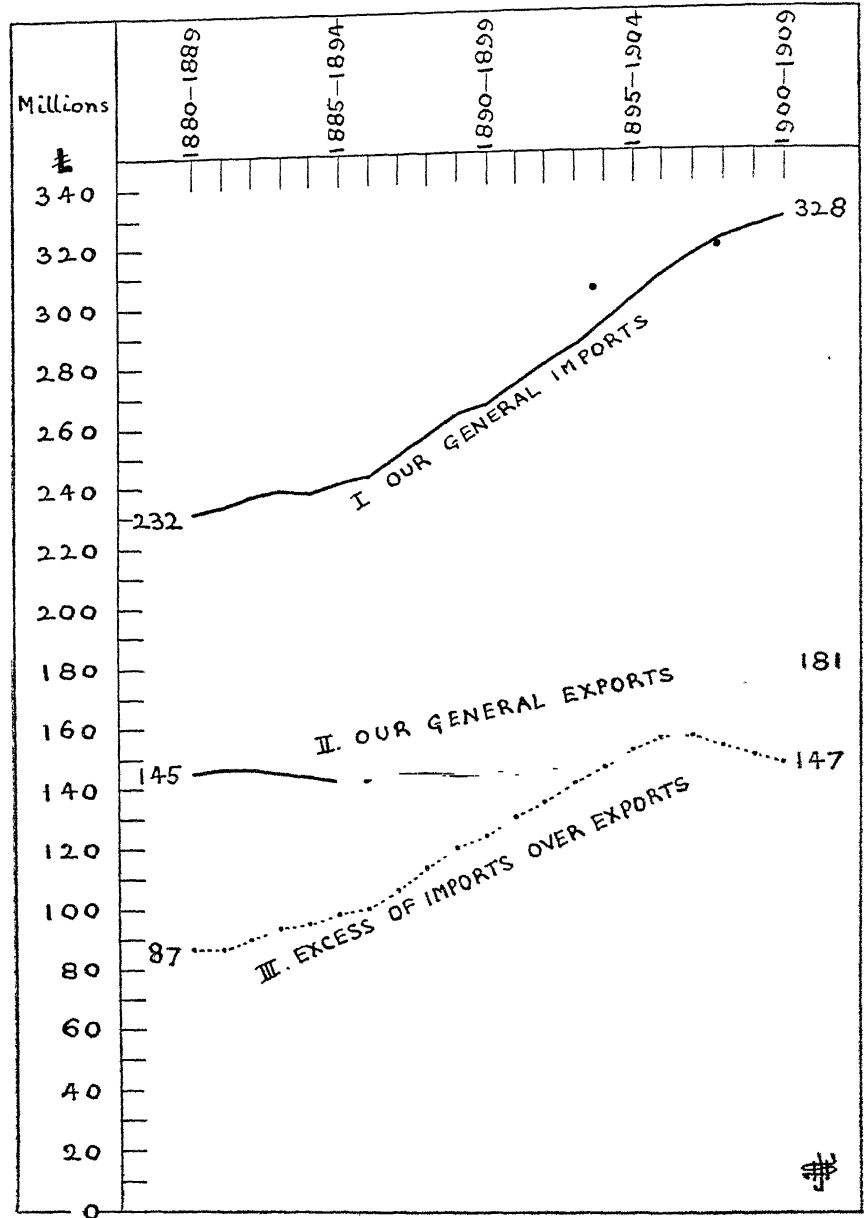
TABLE 79—UNITED KINGDOM: THE VALUE OF GENERAL EXPORTS, DISTINGUISHING GENERAL EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909 *Yearly Averages during each Decade.*

Decade.	To the Principal Protected Foreign Countries.	To All Other Destinations, including British Colonies.	Total (a+b). As in Table 54.	Excess of (b) over (a).
	(a)	(b)	(c)	(d)
	Million £	Million £	Million £	Million £
1880—1889	145·4	147·3	292·7	1·9
1881—1890	146·4	150·5	296·9	4·1
1882—1891	146·3	151·8	298·1	5·5
1883—1892	145·3	151·3	296·6	6·0
1884—1893	143·5	150·3	293·8	6·8
1885—1894	142·1	149·5	291·6	7·4
1886—1895	143·4	149·6	293·0	6·2
1887—1896	143·9	151·9	295·8	8·0
1888—1897	144·1	152·9	297·0	8·8
1889—1898	143·4	153·2	296·6	9·8
1890—1899	143·7	153·3	297·0	9·6
1891—1900	144·2	154·6	298·8	10·4
1892—1901	144·6	157·2	301·8	12·6
1893—1902	145·4	161·5	306·9	16·1
1894—1903	147·8	167·1	314·9	19·3
1895—1904	150·3	173·8	324·1	23·5
1896—1905	153·2	182·6	335·8	29·4
1897—1906	159·6	191·7	351·3	32·1
1898—1907	168·7	204·0	372·7	35·3
1899—1908	174·6	213·3	387·9	38·7
1900—1909	180·6	221·6	402·2	41·0

The Special Exports included in General Exports do not include ships.

decade this excess was 41 million £ yearly, with an almost continuous intervening rise. This salient feature is most notable: it is evidence that whether we examine our special exports or our general exports, the disclosure comes out that our present trade policy does not enable us successfully to fight the high tariffs of foreign countries.

DIAGRAM XXIV.—SEE TABLES 51, 79, 80. UNITED KINGDOM: SHOWING THE COURSE OF OUR GENERAL TRADE WITH THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909 Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Example.—Our General Imports from the Principal Protected Foreign Countries rose from 232 million £ yearly to 328 million £ yearly—Table 51.

Our General Exports to this group remained stagnant throughout the larger part of the period, and then rose to 181 million £ yearly—Table 79.

The excess of our General Imports from this group over our General Exports to this group rose from 87 million £ yearly to 147 million £ yearly—Table 80.

Finally, in Table 80 we see the excess of our general imports of merchandise over our general exports of merchandise, distinguished as regards the two groups of markets.

TABLE 80—UNITED KINGDOM: SHOWING THE EXCESS OF GENERAL IMPORTS OVER GENERAL EXPORTS, DISTINGUISHING OUR TRADE WITH THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1909
Yearly Averages during each Decade.

Decade.	Excess of our General Imports over our General Exports.*		
	The Principal Protected Foreign Countries.	All Other Countries, including British Colonies.	Total (a+b).
	(a)	(b)	(c)
	Million £.	Million £	Million £.
1880—1889	87.3	13.6	100.9
1881—1890	87.3	10.4	97.7
1882—1891	90.3	10.0	100.3
1883—1892	93.5	9.4	102.9
1884—1893	94.7	8.8	103.5
1885—1894	98.5	9.0	107.5
1886—1895	100.1	10.6	110.7
1887—1896	106.2	10.9	117.1
1888—1897	112.6	12.2	124.8
1889—1898	119.6	13.9	133.5
1890—1899	123.2	15.6	138.8
1891—1900	129.5	17.7	147.2
1892—1901	135.4	17.5	152.9
1893—1902	141.0	17.3	158.3
1894—1903	146.5	17.5	164.0
1895—1904	151.4	17.7	169.1
1896—1905	155.9	16.3	172.2
1897—1906	156.3	17.0	173.3
1898—1907	153.4	18.0	171.4
1899—1908	150.1	18.4	168.5
1900—1909	147.6	20.6	168.2

Special Exports included above do not include ships.

* Deduced from Tables 51 and 79.

As regards our trade with the principal protected foreign countries, column (a) of Table 80, the excess of our purchases from them over our sales to them has risen from 87.3 million £ yearly to 147.6 million £ yearly. Thus, despite the slackness of our sales to this group shown in the preceding tables, there has been much progress in sales to us by the principal

protected foreign countries. This plainly shown result tends to take validity from the economic theory that our imports and exports are merely an exchange of goods, and that a rise in imports must be automatically balanced by a corresponding rise in British labour-employing exports. Like many other brain-spun theories, this theory does not stand the test of investigated fact.

Looking at the second group in Table 80, column (b), we see only a small rise in the excess of their sales to us over our sales to them. In this group, comprising the less highly protected foreign markets, and British colonies giving preferential tariff treatment to our merchandise, it is now evident that we have been able to maintain our sales to them on something like the level of their sales to us.

It may be that the series of investigations relating to our export trade now shown may prove the futility of basing opinion upon the crude trade returns for single years without any analyses, such as those whose results have now been disclosed.

N O T E

By means of Table 73, it is easy to deduce that during 1899-1909 our Special Exports to Foreign Countries contained 76 per cent. of Manufactured Goods in Class III., and 24 per cent. of Goods in Classes I., II., IV.; and that our Special Exports to British Colonies contained 88 per cent. of Manufactured Goods in Class III., and 12 per cent. of goods in Classes I., II., IV. These results emphasise the importance of British Colonial Markets as buyers of our Manufactured Goods. See also Appendix C.

CHAPTER IV

BULLION AND SPECIE *

So far, the imports and exports dealt with have related to merchandise. But it is necessary also to examine our trade in bullion and specie. This part of our trade is commonly overlooked, or but slightly dealt with, there being a generally received opinion that our imports and exports of bullion and specie balance each other, and that no account need be taken of these imports and exports. Moreover, there are large yearly fluctuations which cause the yearly records to be most confusing, and to prevent any broad conclusion being drawn from them, unless a method is used that shows the course of trade.

But if we apply to our trade in bullion and specie the method of yearly averages for each successive decade, over a long period, not only do the confusing yearly fluctuations cease to hide the course of trade, but also we obtain some broadly based conclusions that are interesting and useful.

Table 81 shows our imports and exports of gold and silver bullion and specie. There has been a large and nearly continuous rise both in imports and in exports. And the larger rise in imports has caused a rise in the excess of our imports of bullion and specie over our exports. The salient feature of Table 81 is the excess of our imports. Thus, our imports and exports of bullion and specie do not balance

* Based upon the 57th and earlier Statistical Abstracts for the United Kingdom; upon Accounts relating to Trade and Navigation, December 1910.

each other, as is commonly supposed, there being an appreciable excess of imports.

TABLE 81.—UNITED KINGDOM: IMPORTS AND EXPORTS OF GOLD AND SILVER BULLION AND SPECIE, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Imports.	Exports.	Excess of Imports.
	Million £.	Million £	Million £
1880—1889	20·4	20·8	*0·4
1881—1890	22·2	21·4	0·8
1882—1891	24·4	23·0	1·4
1883—1892	25·3	23·7	1·6
1884—1893	27·2	25·4	1·8
1885—1894	29·0	26·0	3·0
1886—1895	31·6	26·9	4·7
1887—1896	33·3	29·4	3·9
1888—1897	36·4	32·6	3·8
1889—1898	40·1	35·6	4·5
1890—1899	41·9	36·7	5·2
1891—1900	42·5	37·3	5·2
1892—1901	41·7	36·2	5·5
1893—1902	41·6	35·9	5·7
1894—1903	41·8	36·6	5·2
1895—1904	42·6	38·4	4·2
1896—1905	43·0	39·7	3·3
1897—1906	45·4	41·4	4·0
1898—1907	47·9	43·2	4·7
1899—1908	47·7	44·3	3·4
1900—1909	49·8	46·7	3·1
1901—1910	53·1	50·0	3·1

* During 1880-1889, Exports exceeded Imports by ·4 million £ yearly (£400,000).

We must now distinguish these imports and exports as regards our trade with foreign countries and with British colonies and possessions respectively. Some useful results are disclosed when we make this distinction.

Table 82 shows the results of our trade in bullion and specie with foreign countries. There was a rise in imports and also in exports; but the rise in our exports of bullion and specie has been considerably larger than the rise in our imports, thus causing the complete change in the course of trade shown in the last column of Table 82. During the earlier periods we always had an excess of imports of bullion

and specie from foreign countries. This excess gradually declined, until it gave way to an excess of our exports to foreign countries, and this excess of exports of bullion and specie has been nearly constantly increasing.

TABLE 82—UNITED KINGDOM· IMPORTS AND EXPORTS OF GOLD AND SILVER BULLION AND SPECIE FROM AND TO FOREIGN COUNTRIES, 1880-1910 *Yearly Averages during each Decade.*

Decade. •	Imports.	Exports.	Excess of Imports, or Excess of Exports.
	Million £	Million £.	Million £
1880—1889	16·0	13·0	3 0
1881—1890	17 7	12 9	4·8
1882—1891	19·4	14·2	5·2
1883—1892	19·5	14·7	4·8
1884—1893	20·5	15·7	4·8
1885—1894	20·7	16·4	4·3
1886—1895	22·0	16·8	5·2
1887—1896	22·6	19·0	3·6
1888—1897	23 3	21 9	1·4
1889—1898	24·9	24·8	0·1
1890—1899	25·2	25 9	0·7
1891—1900	25·1	26·4	1·3
1892—1901	23·7	24·8	1·1
1893—1902	23·1	24·3	1·2
1894—1903	21·9	25·2	3·3
1895—1904	21·3	26·6	5·3
1896—1905	20·1	27·9	7·8
1897—1906	20·2	28 3	8·1
1898—1907	21·3	29·1	7·8
1899—1908	19·7	29·7	10·0
1900—1909	20·0	32·1	12·1
1901—1910	19·8	35·2	15·4

Excess of
Imports

Excess of
Exports

We may easily deduce from Table 82 that during 1901-1910, as compared with 1880-1889, our imports of bullion and specie from foreign countries increased by 38 millions during the whole decade, and that our exports of bullion and specie to foreign countries increased by 222 millions during the same decade, 1901-1910.

Looking at Table 83, which relates to our trade in gold and silver with British colonies and possessions, we see a large and continuous increase in our imports and in our exports of bullion and specie; but our imports have increased much

more than our exports. This has caused a reversal of the course of trade upon exactly opposite lines from those in Table 82; for we see in Table 83, that while in former years there was always an excess of our exports of bullion and specie to British colonies, this, during the later periods, has been changed into an excess of our imports, which is growing considerably.

TABLE 83.—UNITED KINGDOM. IMPORTS AND EXPORTS OF GOLD AND SILVER BULLION AND SPECIE FROM AND TO BRITISH COLONIES AND POSSESSIONS, 1880-1910. *Yearly Averages during each Decade*

Decade	Imports.	Exports.	Excess of Exports, or Excess of Imports.
	Million £	Million £	Million £
1880—1889	4.4	7.8	3.4
1881—1890	4.5	8.5	4.0
1882—1891	5.0	8.8	3.8
1883—1892	5.8	9.0	3.2
1884—1893	6.7	9.7	3.0
1885—1894	8.3	9.6	1.3
1886—1895	9.6	10.1	0.5
1887—1896	10.7	10.4	0.3
1888—1897	13.1	10.7	2.4
1889—1898	15.2	10.8	4.4
1890—1899	16.7	10.8	5.9
1891—1900	17.4	10.9	6.5
1892—1901	18.0	11.4	6.6
1893—1902	18.5	11.6	6.9
1894—1903	19.9	11.4	8.5
1895—1904	21.3	11.8	9.5
1896—1905	22.9	11.8	11.1
1897—1906	25.2	13.1	12.1
1898—1907	26.6	14.1	12.5
1899—1908	28.0	14.6	13.4
1900—1909	29.8	14.6	15.2
1901—1910	33.3	14.8	18.5

Excess of
Exports

Excess of
Imports

A large
and
continuous
Rise

A nearly
continuous
Rise

Thus the net conclusion from Tables 82 and 83 is that we have been importing bullion and specie from British colonies and possessions, and exporting it more and more to foreign countries, as payment in part for the merchandise we have imported from foreign countries.

The following result is abstracted from Table 83 :—During 1901-1910, as compared with 1880-1889, the total increase in our imports of bullion and specie from British colonies was

GOLD SENT TO FOREIGN COUNTRIES 155

289 millions, and the total increase in our exports of bullion and specie to British colonies was 70 millions.

When we look at gold bullion and specie, a striking feature is disclosed. Table 84 relates to our trade in gold with foreign countries. Our imports of gold have fluctuated with a falling result, and our exports of gold to foreign

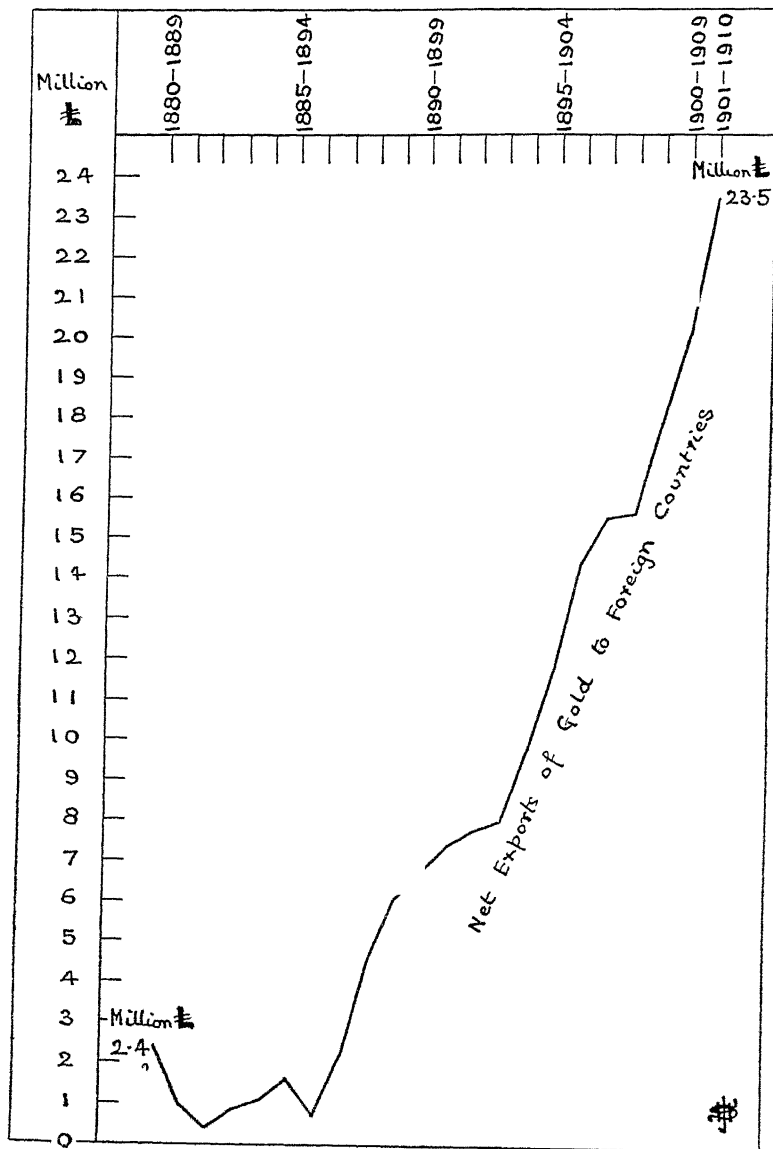
TABLE 84.—UNITED KINGDOM: IMPORTS AND EXPORTS OF GOLD BULLION AND SPECIE FROM AND TO FOREIGN COUNTRIES, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Imports.	Exports.	Excess of Exports.
	Million £.	Million £	Million £
1880—1889	8·2	10·6	2·4
1881—1890	9·5	10·5	1·0
1882—1891	11·0	11·4	0·4
1883—1892	10·9	11·8	0·9
1884—1893	11·7	12·8	1·1
1885—1894	11·8	13·4	1·6
1886—1895	12·9	13·6	0·7
1887—1896	12·9	15·1	2·2
1888—1897	12·5	17·1	4·6
1889—1898	13·2	19·3	6·1
1890—1899	13·1	19·8	6·7
1891—1900	12·7	20·1	7·4
1892—1901	11·1	18·9	7·8
1893—1902	10·6	18·6	8·0
1894—1903	9·7	19·5	9·8
1895—1904	9·1	20·9	11·8
1896—1905	7·7	22·1	14·4
1897—1906	7·6	23·1	15·5
1898—1907	9·1	24·7	15·6
1899—1908	8·0	25·9	17·9
1900—1909	8·4	28·5	20·1
1901—1910	8·2	31·7	23·5

countries have largely and almost constantly increased. The growing excess of our exports of gold to foreign countries is a prominent feature of Table 84—and this has extended over many years.

This gold which we are exporting to foreign countries comes to us more and more largely from British colonies and possessions—see Table 85—to whom we export but little gold. We see, in Table 85, a large excess of our imports of gold

DIAGRAM XXV.—SEE TABLE 84. UNITED KINGDOM: SHOWING THE LARGE INCREASE IN THE NET EXPORTS OF GOLD TO FOREIGN COUNTRIES, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, our Net Exports of Gold to Foreign Countries were £2,400,000 yearly; during the last decade, they were £23,500,000 yearly. These net exports of gold pay for a part of our Imports of merchandise from Foreign Countries, and they help to make up for the decreased paying-power of our exports of merchandise. See Table 55.

from British colonies, and this is the gold that we are sending more and more to foreign countries.

TABLE 85.—UNITED KINGDOM: IMPORTS AND EXPORTS OF GOLD BULLION AND SPECIE FROM AND TO BRITISH COLONIES AND POSSESSIONS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Imports.	Exports.	Excess of Imports.
	Million £	Million £	Million £
1880—1889	4.0	1.7	2.3
1881—1890	4.1	2.0	2.1
1882—1891	4.6	2.0	2.6
1883—1892	5.4	1.9	3.5
1884—1893	6.3	2.1	4.2
1885—1894	7.9	1.9	6.0
1886—1895	9.2	2.6	6.6
1887—1896	10.3	2.8	7.5
1888—1897	12.8	2.9	9.9
1889—1898	14.9	2.9	12.0
1890—1899	16.4	3.1	13.3
1891—1900	17.1	3.2	13.9
1892—1901	17.7	3.4	14.3
1893—1902	18.2	3.7	14.5
1894—1903	19.5	3.7	15.8
1895—1904	20.8	4.0	16.8
1896—1905	22.4	3.7	18.5
1897—1906	24.6	4.0	20.6
1898—1907	25.8	4.4	21.4
1899—1908	27.1	4.5	22.6
1900—1909	28.9	4.5	24.4
1901—1910	32.3	9.6	27.7

A large
and
continuous
Rise

A Rise

A large
Rise,
continuous
since
1881-1890

Mistaken as is the ancient notion that our excess of imports in foreign commerce is “a balance of trade against us” that has to be paid by exportation of an equivalent amount of gold, we here see that as a matter of recorded fact we are paying for some of our excess of imports of merchandise from foreign countries by an increasing exportation of gold—Table 84. The excess of exports of gold was 235 millions during the last decade—a considerable amount, namely, 23.5 millions per year.

Table 86 brings out well-defined features of our trade in silver bullion and specie with foreign countries, resulting in a fairly constant excess of imports by us; and Table 87 deals

with our imports and exports of silver bullion and specie from and to British colonies and possessions. We have an excess of silver exports to British colonies which is somewhat

TABLE 86—UNITED KINGDOM: IMPORTS AND EXPORTS OF SILVER BULLION AND SPECIE FROM AND TO FOREIGN COUNTRIES, 1880-1910.
Yearly Averages during each Decade

Decade.	Imports.	Exports.	Excess of Imports.
	Million £	Million £	Million £.
1880—1889	7·8	2·4	5·4
1881—1890	8·2	2·4	5·8
1882—1891	8·4	2·8	5·6
1883—1892	8·6	2·9	5·7
1884—1893	8·8	2·9	5·9
1885—1894	8·9	3·0	5·9
1886—1895	9·1	3·2	5·9
1887—1896	9·7	3·9	5·8
1888—1897	10·8	4·8	6·0
1889—1898	11·7	5·5	6·2
1890—1899	12·1	6·1	6·0
1891—1900	12·4	6·3	6·1
1892—1901	12·6	5·9	6·7
1893—1902	12·5	5·7	6·8
1894—1903	12·2	5·7	6·5
1895—1904	12·2	5·7	6·5
1896—1905	12·4	5·8	6·6
1897—1906	12·6	5·2	7·4
1898—1907	12·2	4·4	7·8
1899—1908	11·7	3·8	7·9
1900—1909	11·6	3·6	8·0
1901—1910	11·6	3·5	8·1

greater than our excess of silver imports from foreign countries. We import foreign silver and send it to British colonies; and, as already shown, we import gold from British colonies and send it to foreign countries, but to a considerably greater extent than is balanced by our trade in silver bullion and specie.

The regularity and the prominence of the results disclosed in Tables 81 to 87, based as they are upon such fluctuating records as the yearly accounts of our trade in bullion and specie, show conclusively that only by the use of a broadly based method of studying continuous periods can we hope to

arrive at any sound conclusion concerning the course of our trade; for even these fluctuating and confusing yearly records, when massed, condensed, and averaged, have yielded some valuable information, prominently marked, with regard to the course of our trade in gold and silver.

TABLE 87.—UNITED KINGDOM: IMPORTS AND EXPORTS OF SILVER BULLION AND SPECIE FROM AND TO BRITISH COLONIES AND POSSESSIONS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Imports.	Exports.	Excess of Exports.
	Million £	Million £	Million £
1880—1889	·4	6·1	5·7
1881—1890	·4	6·5	6·1
1882—1891	·4	6·8	6·4
1883—1892	·4	7·1	6·7
1884—1893	·4	7·6	7·2
1885—1894	·4	7·7	7·3
1886—1895	·4	7·5	7·1
1887—1896	·4	7·6	7·2
1888—1897	·3	7·8	7·5
1889—1898	·3	7·9	7·6
1890—1899	·3	7·7	7·4
1891—1900	·3	7·7	7·4
1892—1901	·3	8·0	7·7
1893—1902	·3	7·9	7·6
1894—1903	·4	7·7	7·3
1895—1904	·5	7·8	7·3
1896—1905	·5	8·1	7·6
1897—1906	·6	9·1	8·5
1898—1907	·8	9·7	8·9
1899—1908	·9	10·1	9·2
1900—1909	·9	10·1	9·2
1901—1910	1·0	10·2	9·2

The interesting reversal of the course of our trade in bullion and specie with foreign countries, already shown in Table 82, is again illustrated in Table 88, which takes into account the growth of our population, and shows the imports and exports per 100 of population. The change from an excess of imports to an excess of exports is saliently marked.

Table 89 relates to our trade in gold with foreign countries per 100 of our population. The large and continuous rise in

the excess of our exports over our imports of gold is a notable feature of this table.

TABLE 88.—UNITED KINGDOM: IMPORTS AND EXPORTS OF GOLD AND SILVER BULLION AND SPECIE FROM AND TO FOREIGN COUNTRIES, 1880-1910, PER 100 OF POPULATION. *Yearly Averages during each Decade.*

Decade	Per 100 of our Population.		
	Imports.	Exports.	Excess of Imports, or an Excess of Exports
	£	£	£
1880—1889	45	36	9
1881—1890	49	36	13
1882—1891	53	39	14
1883—1892	53	40	13
1884—1893	55	42	13
1885—1894	55	44	11
1886—1895	55	45	10
1887—1896	59	50	9
1888—1897	61	57	4
1889—1898	64	64	0
1890—1899	64	64	0
1891—1900	64	67	3
1892—1901	60	62	2
1893—1902	57	60	3
1894—1903	54	62	8
1895—1904	52	65	13
1896—1905	49	67	18
1897—1906	48	68	20
1898—1907	50	69	19
1899—1908	46	70	24
1900—1909	46	75	29
1901—1910	46	81	35

The two Abstract Tables 90 and 91, which follow, relate to our net exports of GOLD bullion and specie to foreign countries and to our net imports of GOLD from British colonies and possessions respectively. They emphasise the feature of our trade in gold already pointed out, namely, that we import gold in large quantities from British colonies and possessions, and export it to foreign countries as payment in part for our imports of merchandise from foreign countries.

TABLE 89.—UNITED KINGDOM: IMPORTS AND EXPORTS OF GOLD BULLION AND SPECIE FROM AND TO FOREIGN COUNTRIES, 1880-1910, PER 100 OF POPULATION. *Yearly Averages during each Decade.*

Decade.	Per 100 of our Population		
	Imports.	Exports.	Excess of Exports.
	£	£	£
1880—1889	23	29	6
1881—1890	26	29	3
1882—1891	30	31	1
1883—1892	30	32	2
1884—1893	32	35	3
1885—1894	32	36	4
1886—1895	34	36	2
1887—1896	34	40	6
1888—1897	33	45	12
1889—1898	34	50	16
1890—1899	34	50	16
1891—1900	32	51	19
1892—1901	28	47	19
1893—1902	26	46	20
1894—1903	24	48	24
1895—1904	22	51	29
1896—1905	19	53	34
1897—1906	18	55	37
1898—1907	22	59	37
1899—1908	19	61	42
1900—1909	20	66	46
1901—1910	19	73	54

A Rise,
followed
by a Fall

A large
Rise

A large
Rise,
continuous
since
1886-1895

Our large imports of gold from British colonies may or may not be paid for by exports of merchandise to British colonies. Be that as it may, the fact stands out clearly that we are paying for an appreciable part of our imports of merchandise from foreign countries by exports of gold to foreign countries. The opinion that imports of merchandise from foreign countries are necessarily and wholly paid for by exports of merchandise to foreign countries, is not substantiated by investigation of fact, and is mistaken.

Table 92 throws light upon this matter. It shows how much of our general imports of merchandise from foreign countries, stated in Table 44, has been paid for by I., our net

TABLE 90.—ABSTRACT FROM TABLE 84.—NET EXPORTS OF GOLD
BULLION AND SPECIE TO FOREIGN COUNTRIES FROM THE UNITED
KINGDOM, 1880-1910.

Decades compared.	Yearly Averages during each Decade.	Average Yearly Increase during the later of the two compared Decades.	Total Increase during the later of the two compared Decades.
	Million £	Million £	Million £.
1880—1889 and 1890—1899	2.4 } 6.7 }	4.3	43
1881—1890 and 1891—1900	1.0 } 7.4 }	6.4	64
1882—1891 and 1892—1901	0.4 } 7.8 }	7.4	74
1883—1892 and 1893—1902	0.9 } 8.0 }	7.1	71
1884—1893 and 1894—1903	1.1 } 9.8 }	8.7	87
1885—1894 and 1895—1904	1.6 } 11.8 }	10.2	102
1886—1895 and 1896—1905	0.7 } 14.4 }	13.7	137
1887—1896 and 1897—1906	2.2 } 15.5 }	13.3	133
1888—1897 and 1898—1907	4.6 } 15.6 }	11.0	110
1889—1898 and 1899—1908	6.1 } 17.9 }	11.8	118
1890—1899 and 1900—1909	6.7 } 20.1 }	13.4	134
1891—1900 and 1901—1910	7.4 } 23.5 }	16.1	161

TABLE 91.—ABSTRACT FROM TABLE 85—NET IMPORTS OF GOLD
BULLION AND SPECIE FROM BRITISH COLONIES AND POSSESSIONS INTO
THE UNITED KINGDOM, 1880-1910.

Decades compared.	Yearly Averages during each Decade.	Average Yearly Increase during the later of the two compared Decades	Total Increase during the later of the two compared Decades.
	Million £	Million £	Million £.
1880—1889 and 1890—1899	2·3 } 13·3 }	11·0	110
1881—1890 and 1891—1900	2·1 } 13·9 }	11·8	118
1882—1891 and 1892—1901	2·6 } 14·3 }	11·7	117
1883—1892 and 1893—1902	3·5 } 14·5 }	11·0	110
1884—1893 and 1894—1903	4·2 } 15·8 }	11·6	116
1885—1894 and 1895—1904	6·0 } 16·8 }	10·8	108
1886—1895 and 1896—1905	6·6 } 18·5 }	11·9	119
1887—1896 and 1897—1906	7·5 } 20·6 }	13·1	131
1888—1897 and 1898—1907	9·9 } 21·4 }	11·5	115
1889—1898 and 1899—1908	12·0 } 22·6 }	10·6	106
1890—1899 and 1900—1909	13·3 } 24·4 }	11·1	111
1891—1900 and 1901—1910	13·9 } 27·7 }	13·8	138

exports of gold to foreign countries, and II., by our net exports of gold and silver to foreign countries.

TABLE 92.—UNITED KINGDOM: SHOWING HOW MUCH PER £1000 OF OUR GENERAL IMPORTS OF MERCHANDISE FROM FOREIGN COUNTRIES, IN TABLE 44, WAS PAID FOR BY I., OUR NET EXPORTS OF GOLD TO FOREIGN COUNTRIES, TABLE 84; AND II., BY OUR NET EXPORTS OF GOLD AND SILVER TO FOREIGN COUNTRIES, TABLE 82, 1880-1910. *Yearly Averages during each Decade.*

Decade.	General Imports of Merchandise from Foreign Countries. (Table 44.)	Net Exports of Gold to Foreign Countries. (Table 84.)	Net Exports of Gold and Silver to Foreign Countries. (Table 82.)	How much per £1000 of A was paid for by	
	A.	B.	C.*	Net Exports of Gold, B.	Net Exports of Gold and Silver, C.
	Million £.	Million £.	Million £.	£	£
1880—1889	302.4	2.4	nil	8	nil
1881—1890	303.0	1.0	"	3	"
1882—1891	306.0	0.4	"	1	"
1883—1892	307.3	0.9	"	3	"
1884—1893	305.7	1.1	"	4	"
1885—1894	307.7	1.6	"	5	"
1886—1895	311.2	0.7	"	2	"
1887—1896	319.3	2.2	"	7	"
1888—1897	327.1	4.6	"	14	"
1889—1898	334.1	6.1	"	18	"
1890—1899	338.9	6.7	0.7	20	2
1891—1900	347.7	7.4	1.3	21	4
1892—1901	355.8	7.8	1.1	22	3
1893—1902	365.4	8.0	1.2	22	3
1894—1903	376.9	9.8	3.3	26	9
1895—1904	388.6	11.8	5.3	30	14
1896—1905	400.2	14.4	7.8	36	19
1897—1906	412.0	15.5	8.1	38	19
1898—1907	425.1	15.6	7.8	37	18
1899—1908	434.4	17.9	10.0	41	23
1900—1909	444.4	20.1	12.1	45	27
1901—1910	455.3	23.5	15.4	52	34

* Until the decade 1890-1899, we had no Net Exports of Gold and Silver to Foreign Countries. There was a Net Import of Gold and Silver by us from Foreign Countries, —see Table 82. Thus, until the decade 1890-1899, Foreign Countries were paying us to a slight extent in gold and silver for the merchandise we exported to foreign countries. Beginning with the decade 1890-1899, we have been increasingly paying foreign countries, by our Net Exports of Gold and Silver to them, for the merchandise received by us from foreign countries.

When we look at column D of Table 92, we see that since the decade 1886-1895, when £2 per £1000 of our general

imports from foreign countries were paid for by our net exports of gold to foreign countries, these net exports of gold have largely increased relatively to our general imports of merchandise from foreign countries.

And looking at column E of Table 92, we see a large rise in our payments by net exports of gold and silver to foreign countries, for the merchandise we have imported from foreign countries. During the last decade, 1901-1910, over £3 per £100 of all our imports of merchandise from foreign countries were thus paid for by us, £34 per £1000.

It follows, from the well-marked courses of our trade in gold and silver shown in this chapter, that we can no longer rightly condemn as absurd the statement that to an increasing extent we are, as a matter of fact, paying foreign countries in gold for some of the merchandise they send to us. That is now a thoroughly substantiated fact. See also Chapter V.

CHAPTER V

THE EXCESS OF IMPORTS*,

WE have seen the course of our foreign commerce in imports and exports of merchandise, and in bullion and specie. The matter of our excess of imports must now be dealt with.

Many trading nations have an excess of imports. The United States are a notable exception.† And if we examine the trade of the world, we shall find year by year an excess of imports over exports. As the imports and the exports of the world are mainly the same goods valued at the ports of arrival and of departure respectively, this world-excess of imports may be taken broadly to mean the difference between the two valuations of the same goods. The valuation of imports into the United Kingdom, for example, includes the cost of sea-carriage, insurance, and all other charges, while the value of exports from the United Kingdom includes the cost of putting the goods on the ship that takes them away. That is one reason why we ought to have an excess of imports; and there are other reasons. We do much sea-carrying for other nations, and our earnings as a sea-carrier come to us in the form of

* Based upon the 57th Statistical Abstract for the United Kingdom, and earlier volumes; upon Accounts relating to Trade and Navigation, December 1910; upon Blue Book Cd. 1761; upon the 53rd Report of the Commissioners of His Majesty's Inland Revenue; and upon inquiry from shipowners as to the rate of profit on shipping capital.

† Of the 30 foreign countries whose trade is known, 17 have an excess of imports and 13 have an excess of exports. The most important of these 13 foreign countries are the United States, Austria-Hungary, Russia, and the Argentine Republic.

imports. Also, we have capital invested outside of these islands, and the yearly earnings of that capital may come to us in the form of imports. On the other hand, the earnings of foreign capital increasingly invested in the United Kingdom may go from us in the form of exports, thus diminishing the exports that we can set against our imports; for a part of our exports goes in payment of these earnings of foreign capital invested in the United Kingdom, not in payment for our imports. And there are some other considerations which tend for or against an excess of imports: for example, the merchant shipping of foreign countries is growing at a faster rate than our merchant shipping, and foreign shipping is year by year catching up our shipping in the carrying trade of the world—in our home ports, in the ports of foreign countries, and in the ports of British colonies and possessions. See Table 93, which relates to British and foreign shipping respectively, that comes and goes *with cargoes* to and from the United Kingdom. It is a mistake to imagine that our shipping now does the carrying trade of the world; and we have to bear in mind that the sea-carrying of goods done for us by foreign shipping has to be paid by us, that it constitutes an invisible *import*, and that it is an appreciable item on the other side of the account which increases the amount of our yearly excess of imports over exports to a total greater than the amount at which this excess of imports is usually reckoned. See also Table 102. But, on balance, there are largely preponderating causes which suffice to account for a considerable excess in our imports over our exports; and this excess of imports is by no means necessarily “a balance of trade against us.” On the other hand, reasons will be shown why it may be rash for us to assert, as some persons do assert, that the excess of our imports is “the measure of our prosperity.” The truth is probably to be found between these two extreme opinions.

It is necessary to consider how an excess of imports can occur. This effect, an excess of imports, is the net effect

of two different and independently fluctuating causes—imports and exports. For example, here are some wholly different causes that produce the same effect, namely, an excess of imports.

TABLE 93.—UNITED KINGDOM. NET TONNAGE OF BRITISH AND FOREIGN SHIPPING ENTERED AND CLEARED AT PORTS IN THE UNITED KINGDOM FROM AND TO ALL OTHER COUNTRIES, WITH CARGOES, 1880-1910. *Yearly Averages during each Decade.*

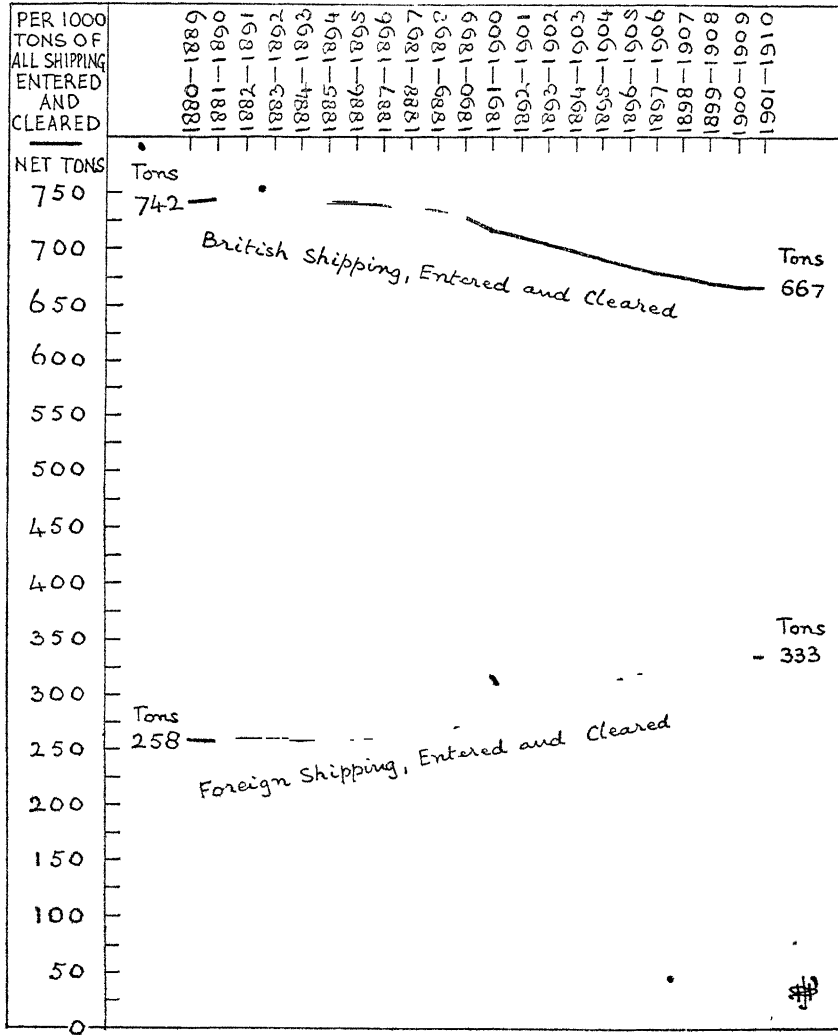
Decade.	British Shipping.	Foreign Shipping.	Total.	Proportion per 1000 Tons.		
				British Shipping.	Foreign Shipping.	Total.
	Million Tons.	Million Tons.	Million Tons.	Tons	Tons	Tons
1880—1889	40·6	14·1	54·7	742	258	1000
1881—1890	41·6	14·4	56·0	743	257	1000
1882—1891	42·5	14·7	57·2	742	258	1000
1883—1892	43·3	15·0	58·3	742	258	1000
1884—1893	43·8	15·2	59·0	742	258	1000
1885—1894	44·7	15·6	60·3	741	259	1000
1886—1895	45·6	15·9	61·5	741	259	1000
1887—1896	46·8	16·5	63·3	740	260	1000
1888—1897	47·9	17·1	65·0	736	264	1000
1889—1898	48·8	17·8	66·6	733	267	1000
1890—1899	49·6	18·7	68·3	727	273	1000
1891—1900	50·2	19·8	70·0	717	283	1000
1892—1901	51·0	20·8	71·8	710	290	1000
1893—1902	51·9	21·8	73·7	704	296	1000
1894—1903	53·2	23·0	76·2	698	302	1000
1895—1904	54·2	24·2	78·4	692	308	1000
1896—1905	55·3	25·3	80·6	686	314	1000
1897—1906	56·5	26·6	83·1	680	320	1000
1898—1907	57·8	27·8	85·6	675	325	1000
1899—1908	58·9	29·1	88·0	669	331	1000
1900—1909	59·9	29·9	89·8	667	333	1000
1901—1910	61·2	30·5	91·7	667	333	1000

Note.—Observe the constant rise in the proportion of foreign shipping conveying goods to or from the United Kingdom, and also the constant fall in the proportion of British shipping engaged in the same work. These results confirm other and independent statements made in this Chapter as to the rashness of over-stating our shipping earnings as one of our invisible exports. Moreover, these foreign ships have to be paid for their services to us, thus constituting an invisible *import*. This consideration, which is of considerable importance, is usually overlooked, owing to the prevalent opinion, not based on investigation of fact, that we do all the sea-carrying of goods that enter or leave the United Kingdom.

CAUSES OF AN EXCESS OF IMPORTS.

1. A fall in exports, and a smaller fall in imports.
2. A fall in exports, and no change in imports.

DIAGRAM XXVL.—SEE TABLE 93. UNITED KINGDOM: SHOWING THE NET TONNAGE OF BRITISH SHIPPING AND OF FOREIGN SHIPPING RESPECTIVELY THAT ENTERED AND CLEARED, WITH CARGOES, AT PORTS IN THE UNITED KINGDOM, PER 1000 NET TONS OF ALL SHIPPING THAT ENTERED AND CLEARED, WITH CARGOES, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—British shipping conveying goods to and from the United Kingdom fell from 742 tons to 667 tons per 1000 tons of all shipping that Entered and Cleared, with Cargoes, in the Ports of the United Kingdom. Foreign shipping, similarly engaged, rose from 258 tons to 333 tons per 1000 tons of all shipping that Entered and Cleared, with Cargoes. Thus an appreciable and increasing proportion of the sea-carriage of our foreign commerce is done by Foreign Shipping.

3. A fall in exports, and a rise in imports.
4. No change in exports, and a fall in imports from an amount previously higher than exports.
5. No change in exports, and no change in imports from an amount previously higher than exports.
6. No change in exports, and a rise in imports.
7. A rise in exports, and a small fall in imports from an amount previously higher than exports.
8. A rise in exports, and no change in imports from an amount higher than exports.
9. A rise in exports, and a larger rise in imports.

Thus with all these different causes operating to produce an excess of imports, it is obviously absurd to attach to each of these different causes the same meaning, namely, that an excess of imports, however caused, is a sure sign of prosperity in foreign commerce—assuming, for the moment, that an excess of imports is, in some circumstances, a sign of prosperity.

An actuary who might treat the matters submitted to him in the superficial fashion with which the excess of our imports is commonly handled, would soon find himself superseded by a more competent investigator.

The preceding remarks may suggest that this matter of our excess of imports deserves and should receive much more careful treatment than has hitherto been given to it.

Table 94 shows all our imports and all our exports, with the exception of ships, which were not recorded before 1899. If we assume that the value of our exports of ships during 1880-1910 was the same as during the years for which exports of ships have been recorded, we must add 7 millions to each of the export results in Table 94, and deduct 7 millions from each of the "excess of imports" results.

Table 94 includes, under imports, diamonds from the Cape, which are not included in our imports of merchandise. They

GROWTH IN THE EXCESS OF IMPORTS 171

have averaged from 3 to 6 millions per year,* during the decades stated in Table 94.

TABLE 94.—UNITED KINGDOM: ALL IMPORTS AND ALL EXPORTS, 1880-1910, INCLUDING RE-EXPORTS, BULLION AND SPECIE, AND DIAMONDS IMPORTED FROM THE CAPE. *Yearly Averages during each Decade.* SEE TABLES 95 AND 96.

Decade.	Imports.	Exports.*	Yearly Excess of Imports.†
	Million £.	Million £	Million £.
1880—1889	417·4	313·5	103·9
1881—1890	420·3	318·3	102·0
1882—1891	426·3	321·1	105·2
1883—1892	428·3	320·3	108·0
1884—1893	428·1	319·2	108·9
1885—1894	431·7	317·6	114·1
1886—1895	439·2	319·9	119·3
1887—1896	450·2	325·2	125·0
1888—1897	462·2	329·6	132·6
1889—1898	474·3	332·2	142·1
1890—1899	481·8	333·7	148·1
1891—1900	492·5	336·1	156·4
1892—1901	500·5	338·0	162·5
1893—1902	511·1	342·8	168·3
1894—1903	525·1	351·5	173·6
1895—1904	540·5	362·5	178·0
1896—1905	555·9	375·5	180·4
1897—1906	575·3	392·7	182·6
1898—1907	597·8	415·9	181·9
1899—1908	609·9	432·2	177·7
1900—1909	626·2	448·9	177·3
1901—1910	645·4	470·2	175·2

* Excluding ships, which were not recorded until the year 1899. During 1899-1910 the average yearly value of our exports of ships was 7·6 million £.

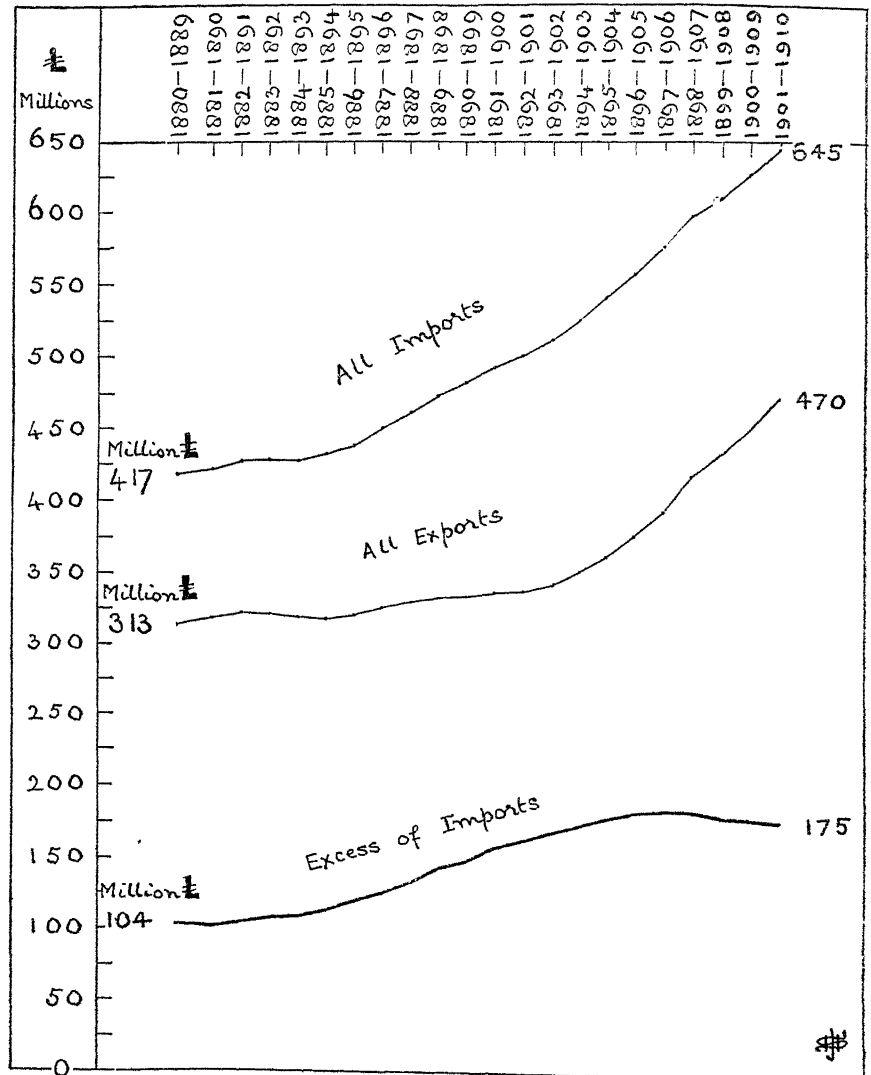
† Nearly all of this Excess of Imports is in regard to our trade with foreign countries, not with British Colonies and Possessions. See Tables 95 and 96.

The increase in the excess of imports is great—from 103·9 millions per year during 1880-1889 to 175·2 millions per year during 1901-1910; or, if we include in exports the estimated value of exported ships, from 97 millions to 168 millions.

An interesting and important question connected with our excess of imports in Table 94 is—How much of this excess

* These are the yearly averages during each decade. In some single years, imports of diamonds have exceeded these averages.

DIAGRAM XXVII—SEE TABLE 94. UNITED KINGDOM: SHOWING ALL IMPORTS, ALL EXPORTS, AND EXCESS OF IMPORTS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Excess of All Visible Imports over All Visible Exports rose from 104 million £ yearly to 175 million £ yearly. The Exports exclude ships, not recorded before the year 1899. During 1899-1910, exports of ships averaged 7.6 million £ yearly.

relates to our trade with foreign countries and with British colonies respectively?

This point is cleared up in Tables 95 and 96, which show that nearly all of our vast excess of imports is connected with our foreign trade, not with our colonial trade.

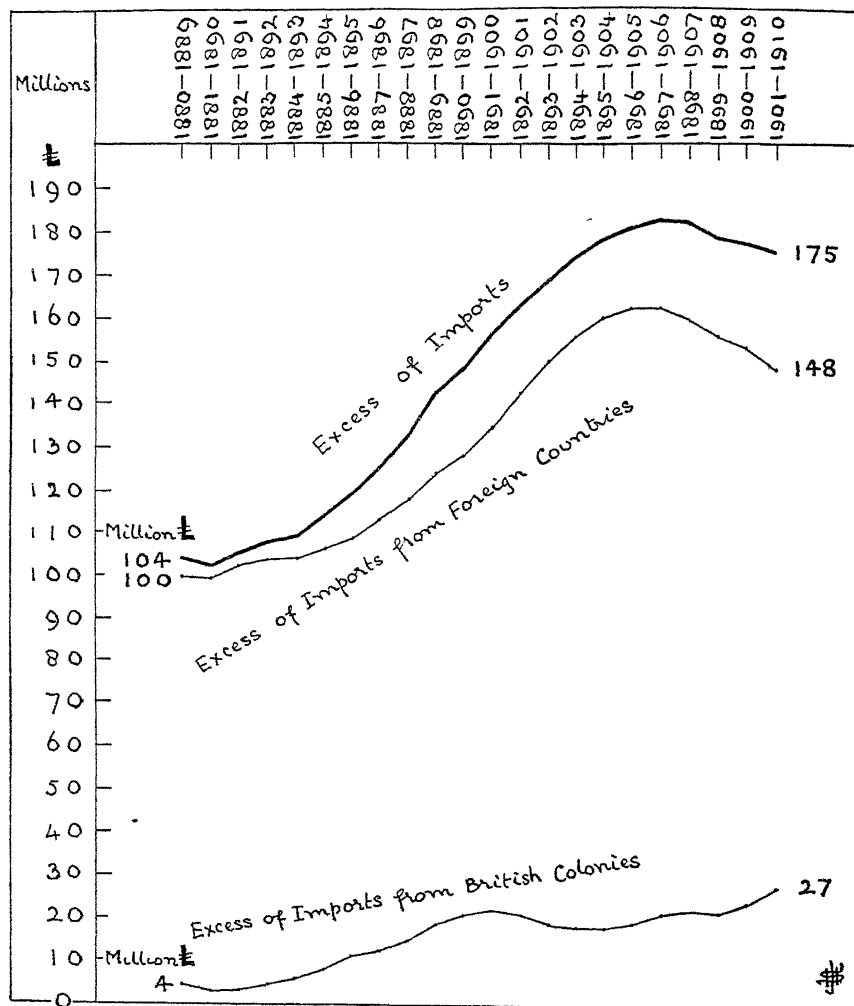
TABLE 95.—UNITED KINGDOM: ALL IMPORTS AND ALL EXPORTS, 1880-1910, TO AND FROM FOREIGN COUNTRIES, INCLUDING BULLION AND SPECIE. *Yearly Averages during each Decade.* SEE TABLE 94.

Decade.	Imports.	Exports. *	Excess of Imports.
	Million £	Million £	Million £
1880—1889	318·4	218·5	99·9
1881—1890	320·7	221·3	99·4
1882—1891	325·4	223·2	102·2
1883—1892	326·8	223·3	103·5
1884—1893	326·2	222·6	103·6
1885—1894	328·4	222·1	106·3
1886—1895	333·2	224·8	108·4
1887—1896	341·9	228·9	113·0
1888—1897	350·4	232·6	117·8
1889—1898	359·0	235·3	123·7
1890—1899	364·1	236·5	127·6
1891—1900	372·8	238·1	134·7
1892—1901	379·5	237·5	142·0
1893—1902	388·5	238·6	149·9
1894—1903	398·8	243·5	155·3
1895—1904	409·9	250·0	159·9
1896—1905	420·3	258·6	161·7
1897—1906	432·2	270·5	161·7
1898—1907	446·4	286·8	159·6
1899—1908	454·1	298·3	155·8
1900—1909	464·4	311·0	153·4
1901—1910	475·1	326·8	148·3

* Excluding ships, which were not recorded until the year 1899. During 1899-1910 the average yearly value of our exports of ships to foreign countries was 6·4 millions.

Looking at Table 95, we see that during the first decade our excess of imports in our trade with foreign countries was 99·9 million £ yearly, or 999 million £ during the whole of that decade. During the last decade, 1901-1910, the excess was 148·3 million £ yearly, or 1483 million £ during the whole ten years, 1901-1910. This is a vast increase in the excess of our imports in trade with foreign countries alone. An increase

DIAGRAM XXVIII—SEE TABLES 94, 95, 96. UNITED KINGDOM:
SHOWING THE EXCESS OF IMPORTS FROM FOREIGN COUNTRIES AND
FROM BRITISH COLONIES AND POSSESSIONS RESPECTIVELY, 1880-1910.
Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Note.—Observe that nearly all of our Excess of Imports occurred in connection with our trade with Foreign Countries.

The Exports upon which the above results are partly based exclude our exports of ships, not recorded before the year 1899. During 1899-1910 our exports of ships to Foreign Countries averaged 6.4 million £ yearly, and to British Colonies 1.2 million £ yearly.

far too important in its economic bearing to be lightly dismissed and lightly accounted for by the easy repetition of a maxim appertaining to theoretical political economy, so dear to the doctrinaires—namely, that in all circumstances our imports must be paid for by our exports. This matter deserves some careful examination of economic fact.

TABLE 96.—UNITED KINGDOM: ALL IMPORTS AND ALL EXPORTS, 1880-1910, TO AND FROM BRITISH COLONIES AND POSSESSIONS, INCLUDING BULLION* AND SPECIE, AND IMPORTS OF DIAMONDS FROM THE CAPE.
Yearly Averages during each Decade SEE TABLE 94

Decade.	Imports.	Exports.*	Excess of Imports.
	Million £	Million £.	Million £
1880—1889	99·0	95·0	4·0
1881—1890	99·6	97·0	2·6
1882—1891	100·9	97·9	3·0
1883—1892	101·5	97·0	4·5
1884—1893	101·9	96·6	5·3
1885—1894	103·3	95·5	7·8
1886—1895	106·0	95·1	10·9
1887—1896	108·3	96·3	12·0
1888—1897	111·8	97·0	14·8
1889—1898	115·3	96·9	18·4
1890—1899	117·7	97·2	20·5
1891—1900	119·7	98·0	21·7
1892—1901	121·0	100·5	20·5
1893—1902	122·6	104·2	18·4
1894—1903	126·3	108·0	18·3
1895—1904	130·6	112·5	18·1
1896—1905	135·6	116·9	18·7
1897—1906	143·1	122·2	20·9
1898—1907	151·4	129·1	22·3
1899—1908	155·8	133·9	21·9
1900—1909	161·8	137·9	23·9
1901—1910	170·3	143·4	26·9

* Excluding ships, which were not recorded until the year 1899. During 1899-1910 the average yearly value of our exports of ships to British Colonies and Possessions was 1·2 million £.

We will apply the test of population to the results in Table 94.

In Table 97 we see the total imports and total exports per ten of population, and also the excess of imports. The course of these three things is clearly marked. There has been a

large rise in imports relatively to population: exports have not kept pace with the growth of our population, during a large part of Table 97, and the excess of imports has grown much more rapidly than our population has grown. We may

TABLE 97.—UNITED KINGDOM: IMPORTS AND EXPORTS, 1880-1910, INCLUDING BULLION AND SPECIE, AND DIAMONDS IMPORTED FROM THE CAPE. *Per TEN of Population. Yearly Averages during each Decade.*

Decade.	Per Ten of our Population.		
	Imports.	Exports.	Excess of Imports.
	£	£	£
1880—1889	116	87	29
1881—1890	116	88	28
1882—1891	117	88	29
1883—1892	116	87	29
1884—1893	115	86	29
1885—1894	116	85	31
1886—1895	117	85	32
1887—1896	118	85	33
1888—1897	120	86	34
1889—1898	122	86	36
1890—1899	123	85	38
1891—1900	125	85	40
1892—1901	126	85	41
1893—1902	127	85	42
1894—1903	129	86	43
1895—1904	131	88	43
1896—1905	134	91	43
1897—1906	138	94	44
1898—1907	142	99	43
1899—1908	143	101	42
1900—1909	145	104	41
1901—1910	148	108	40

* Not including ships. (See Note to Table 94.)

note, in regard to the prolonged stagnation of exports in Table 97, that these exports include, of course, the large increases in coal and in gold exported to foreign countries—see Tables 65 and 84.

If we are to accept as a fundamental truth and without investigation the maxim that the excess of our imports is

the measure of our prosperity, the results in Tables 94 to 97 supply convincing proof of our great prosperity, despite the many investigations shown in Chapter I. But it would be rash to accept this or any other maxim as a truth in connection with a matter of so much importance as our commerce. We must ascertain, as far as may be possible, the extent to which this great excess of imports has or has not been paid for by our invisible exports. The practical question is—Has the value of our invisible exports kept pace with the largely increased value of our excess of imports shown in Table 94? And this question deserves and admits of a much more thorough investigation than it usually receives.

On page 99 of Blue Book Cd. 1761, 1903, is a memorandum on our excess of imports. This excess during 1893-1902 is stated at 161 millions yearly. This agrees with Table 94, if we deduct from the 168 millions there shown for the decade 1893-1902 the estimated 7 millions for exports of ships. And of these 161 millions, 90 millions are estimated in the Blue Book to be paid by the yearly earnings of our shipping.

The unknown writer of the memorandum guards himself by stating that any estimate such as he has made can only be "of the roughest kind." But this estimate of 90 millions is based upon a merely fanciful and conjectural assumption, and if no sounder basis can be obtained, it would be better to abstain from any attempt to compute how much of our yearly excess of imports is paid for by the yearly earnings of our ships.*

But a sounder basis does exist, by means of which we will first test this estimate of 90 millions, as representing the yearly earnings of ships belonging to the United Kingdom.

* Students of actual commercial economics, as distinguished from students of theoretical commercial economics, are invited to refer to pages 99-103 of Blue Book Cd. 1761 (the first "Fiscal Blue Book"), and to compare the treatment there given to the important subject of our Excess of Imports with the treatment given in this Chapter V.

During 1893-1902, the same period to which this estimate of 90 millions relates, the average yearly tonnage of sailing- and steam-ships registered under the Merchant Shipping Acts as belonging to the United Kingdom was 9·2 million tons net, and 13·6 million tons gross. Table 98.

Some of these ships were employed in the home trade, some partly in the home trade and partly in the foreign trade, and some in the foreign trade. To be on the safe side, we will assume that *all* these ships were employed in the foreign trade, and therefore that they were all earning "invisible exports."

We must now compute the capital value of these ships. A cargo steamer with all the latest improvements can be built for £10 per gross ton; a passenger steamer costs more, and sailing-ships cost less than £10 per gross ton. If we capitalise this shipping at £10 per gross ton all round, we shall be upon the safe side. We shall be exaggerating the capital value of our shipping; for this is reckoning all these ships at their new value, whereas a large proportion of them are old ships not worth, as capital, so much as £10 per gross ton. Moreover, we are assuming that all the shipping is steam shipping, worth £10 per gross ton; but a part of it (over 25 per cent. during 1893-1902) was sailing-ships, not worth so much as £10 per gross ton; and our many tramp steamers are certainly not worth £10 per ton.

Thus, 13·6 million tons gross, at £10 per gross ton, is equal to 136 million pounds sterling. This considerably overstates the average capital value of ships belonging to the United Kingdom during each year of the decade 1893-1902, for which decade the estimate in the Blue Book puts the yearly earnings at 90 millions. In other words, our shipping is estimated to earn *yearly* no less than 66 per cent. of its gross capital value! And this very high estimate of shipping earnings is then ranked as one of our invisible exports, and is set off to pay for 90 million £ yearly of our imports of merchandise.

If we assume this shipping capital of 136 millions to earn a yearly profit of 5 per cent. (by inquiry from shipowners, 5 per cent. is stated to be above the actual profit), we obtain 6·8 millions per year as the net yearly profit of our shipping during this Board of Trade decade 1893-1902; and this, after letting the estimate of 6·8 millions per year be based upon actual fact, with a liberal allowance in favour of making our yearly shipping profits as large as possible. There is no element of fantasy in this computation of net shipping profit, while the estimate of 90 millions gross shipping earnings is based upon a mere assumption of quite remarkable tenuity. Let it be noted here, that net shipping profit is not the same thing as gross shipping earnings. Later, our gross shipping earnings will be dealt with.

This matter is of so much importance that no labour is wasted which is directed towards getting at the true facts. Here is another method of ascertaining the extent to which our yearly shipping earnings pay for the excess of imports in Table 94. We may compare the tonnage of all ships belonging to the United Kingdom, and therefore available to earn invisible exports,* with the amount of the excess of imports during each successive decade, in order to see whether the growth of this tonnage has kept pace with the growth of our excess of imports. In other words, has our tonnage capacity to earn profit by shipping kept pace with the necessity to earn such profit, as shown by the growth of our excess of imports? Has our capacity to earn invisible exports by our shipping kept pace with the growth of our excess of imports?

Table 98 is interesting. We see, side by side, our excess of imports with a large and nearly continuous rise, and all our merchant shipping with a much smaller relative growth. This shipping includes all merchant ships belonging

* With the exception that our shipping engaged in the coasting trade is not available to earn invisible exports; but our coasting ships are here included.

to the United Kingdom, although some of it (about 10 per cent.) was not engaged in the foreign trade. We do not want to under-state in any way the capacity of our shipping

TABLE 98.—UNITED KINGDOM A COMPARISON OF THE EXCESS OF IMPORTS WITH THE MERCHANT SHIPPING BELONGING TO THE UNITED KINGDOM, AND SHOWING THE NUMBER OF TONS OF SHIPPING TO EVERY £1000 OF EXCESS OF IMPORTS, 1880-1910 *Yearly Averages during each Decade.*

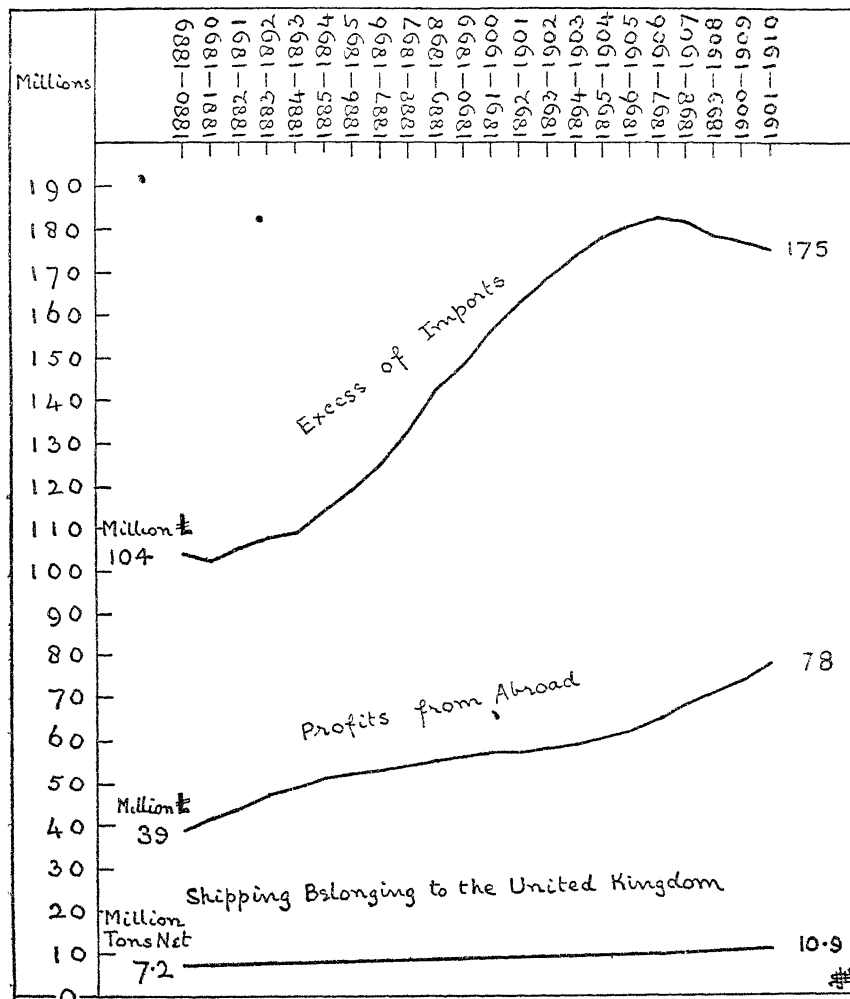
Decade.	Excess of Imports. (See Table 94.)	All Shipping belonging to the United Kingdom, whether employed in the Foreign Trade, or not so employed.		Tons of Shipping belonging to the United Kingdom, to every £1000 of Excess of Imports.	
		Net Tonnage.	Gross Tonnage.	Net Tonnage.	Gross Tonnage.
	Million £	Million Tons	Million Tons	Tons	Tons
1880—1889	103.9	7.2	9.9	70	96
1881—1890	102.0	7.4	10.1	72	99
1882—1891	105.2	7.5	10.4	72	99
1883—1892	108.0	7.7	10.6	71	98
1884—1893	108.9	7.8	10.9	72	100
1885—1894	114.1	8.0	11.1	70	97
1886—1895	119.3	8.2	11.4	68	95
1887—1896	125.0	8.3	11.7	67	94
1888—1897	132.6	8.5	12.1	64	91
1889—1898	142.1	8.6	12.4	61	87
1890—1899	148.1	8.8	12.7	59	85
1891—1900	156.4	8.9	13.0	57	83
1892—1901	162.5	9.0	13.3	56	81
1893—1902	168.3	9.2	13.6	55	81
1894—1903	173.6	9.4	13.9	54	80
1895—1904	178.0	9.5	14.3	53	80
1896—1905	180.4	9.7	14.6	54	81
1897—1906	182.6	9.9	15.1	54	82
1898—1907	181.9	10.1	15.5	56	85
1899—1908	177.7	10.4	16.0	59	90
1900—1909	177.3	10.6	16.5	60	93
1901—1910	175.2	10.9	17.0	62	97

This table includes all our shipping, although shipping engaged in the home, or coasting, trade is not available to earn invisible exports. See Table 99 for sailing and steam shipping respectively.

to make good some of our excess of imports. The most useful method of investigation is to over-state rather than to under-state our shipping earnings, and then to compare the results with the excess of imports that has to be made up.

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DIAGRAM XXIX—SEE TABLES 94, 98, 100. UNITED KINGDOM: SHOWING THE EXCESS OF IMPORTS OUR PROFITS FROM ABROAD, AND OUR SHIPPING, 1880-1910 PROFITS FROM ABROAD AND SHIPPING EARNINGS ARE COMMONLY ASSUMED TO PAY FOR OUR EXCESS OF IMPORTS *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

The Excess of Imports does not take into account exported ships, which were not recorded until 1899.

Example.—During 1880-1889 our Excess of Imports was 104 million £ yearly; during 1898-1910 the Excess of Imports was 175 million £ yearly.

During 1880-1889 the Profits from Abroad were 39 million £ yearly; and during 1901-1910 they were 78 million £ yearly.

During 1880-1889 the total Merchant Shipping belonging to the United Kingdom was, yearly, 7.2 million tons net; and during 1901-1910, 10.9 million tons net.

The large increase of Profit from Abroad during recent years is mainly due to British capital invested in the United Kingdom having been transferred abroad, owing to recent legislation affecting the security of capital invested in the United Kingdom. This increase is not a payment in part for our excess of imports; it is merely a transfer of capital.

The most important facts in Table 98 are the columns which show the net and the gross tons respectively of our shipping, relatively to every £1000 of excess of imports during each successive decade. We see at once that for many years our shipping has largely declined relatively to the growth of our excess of imports. In other words, our shipping has not kept pace with the growth of our excess of imports. Thus this important item of our invisible exports has not increased so much as our excess of imports has increased: that fact is clearly shown in Table 98. Moreover, not only has our shipping failed in this respect as regards actual quantity of earning power, but the earning quality of our shipping has also decreased, owing to the fall in freights earned per ton. Let this latter point be duly noted.

Table 99 shows results similar to those in Table 98, for sailing and steam shipping respectively.

Let us now look at the other main item of our invisible exports, namely, our profits from investments abroad.

These profits from abroad are set out on page 104 of Blue Book Cd. 1761, 1903, now brought up to the most recent year, by means of the current Report of the Commissioners of His Majesty's Inland Revenue. The amount for the last two single years has been estimated so that Table 100 may include the decade 1901-1910. The estimate has been based upon the recent large increases of British capital exported, and is probably too high rather than too low. We will accept these profits as they stand, and we have to ascertain whether they have increased at a rate equal to the growth in our excess of imports—for the reason that, omitting detail, these profits, with our shipping earnings, are supposed to make up our excess of imports.

By means of the yearly profits stated in the Blue Book we obtain the averages shown in Table 100. We see a continuous rise in our profits from abroad—from 39 millions yearly during 1880-1889 to 78 millions yearly during 1901-1910. So far so good.

TABLE 99.—TONS OF SHIPPING BELONGING TO THE UNITED KINGDOM, TO EVERY £1000 OF EXCESS OF IMPORTS, DISTINGUISHING STEAM-SHIPS AND SAILING-SHIPS, 1880-1910 *Yearly Averages during each Decade*

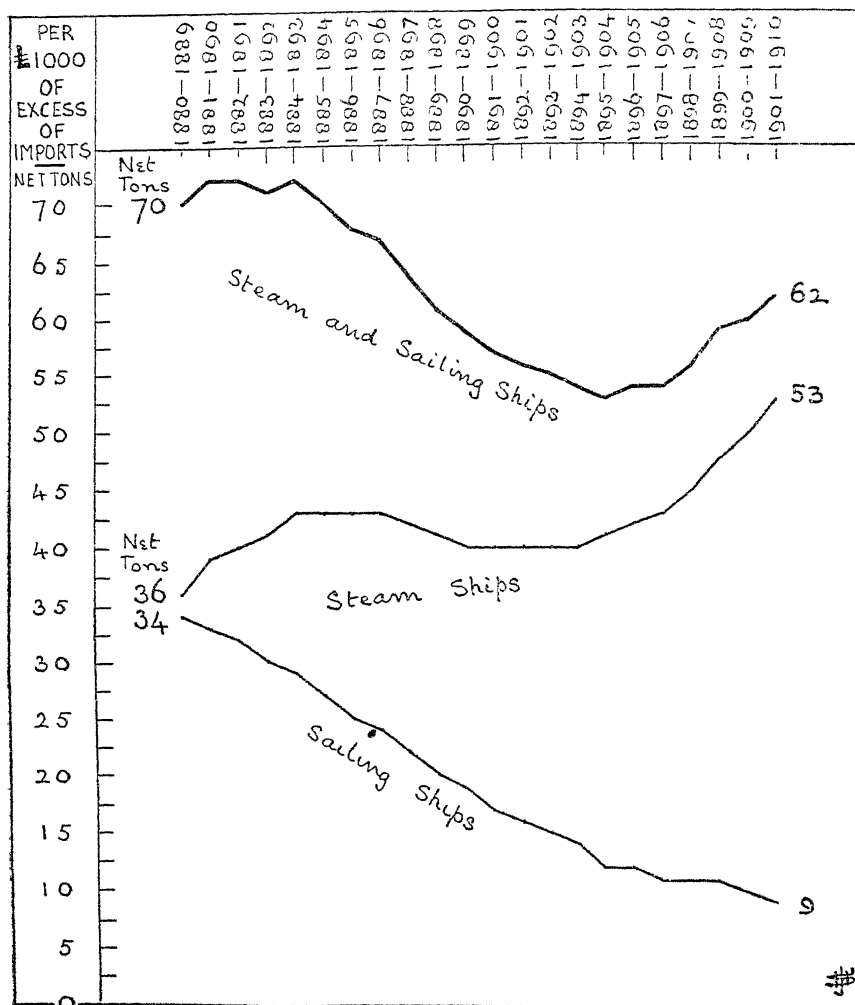
Decade	Tons of Shipping belonging to the United Kingdom, to every £1000 of Excess of Imports		
	Steam-Ships.	Sailing-Ships.	Total (See Table 98.)
	Tons net	Tons net	Tons net
1880—1889	36	34	70
1881—1890	39	33	72
1882—1891	40	32	72
1883—1892	41	30	71
1884—1893	43	29	72
1885—1894	43	27	70
1886—1895	43	25	68
1887—1896	43	24	67
1888—1897	42	22	64
1889—1898	41	20	61
1890—1899	40	19	59
1891—1900	40	17	57
1892—1901	40	16	56
1893—1902	40	15	55
1894—1903	40	14	54
1895—1904	41	12	53
1896—1905	42	12	54
1897—1906	43	11	54
1898—1907	45	11	56
1899—1908	48	11	59
1900—1909	50	10	60
1901—1910	53	9	62

Note.—The above includes all merchant shipping belonging to the United Kingdom, whether engaged in the foreign trade or not so engaged. Observe that the large Fall in sailing-ships has not been made good by the Rise in steam-ships. And note, also, that the earning *quality* of our shipping has decreased, as well as the earning *quantity* of our shipping, owing to the fall in freights earned per ton which has occurred during the period 1880-1910.

But when we test the growth of these profits—the second item to pay for our excess of imports—we find that their growth has not nearly kept pace with the growth in the excess of imports, during the greater part of Table 100.

We see that during 1880-1889, these profits paid for £373 per £1000 of our excess of imports, rising to £448 in the decade 1884-1893. There was then a large fall, with some recovery in recent years. Thus, this the second item upon

DIAGRAM XXX—SEE TABLE 99 UNITED KINGDOM: SHOWING THE DECLINE IN SHIPPING BELONGING TO THE UNITED KINGDOM RELATIVELY TO THE EXCESS OF IMPORTS, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—During the first decade there were 70 tons of Shipping belonging to the United Kingdom and helping to earn invisible exports per £1000 of the Excess of Imports; during the last decade there were 62 tons per £1000 of the Excess of Imports.

Note.—The above includes all merchant shipping belonging to the United Kingdom, whether engaged in the foreign trade or not so engaged. Observe that the large Fall in sailing-ships has not been made good by the Rise in steam-ships. And note, also, that the earning *quality* of our shipping has decreased, as well as the earning *quantity* of our shipping, owing to the fall in freights earned per ton which has occurred during the period 1880-1910.

which we rely to pay for our excess of imports, has, like the first item, Shipping, Table 98, failed to increase at the rate necessary to pay for our excess of imports—and that is the important point. No rational man denies that we have large

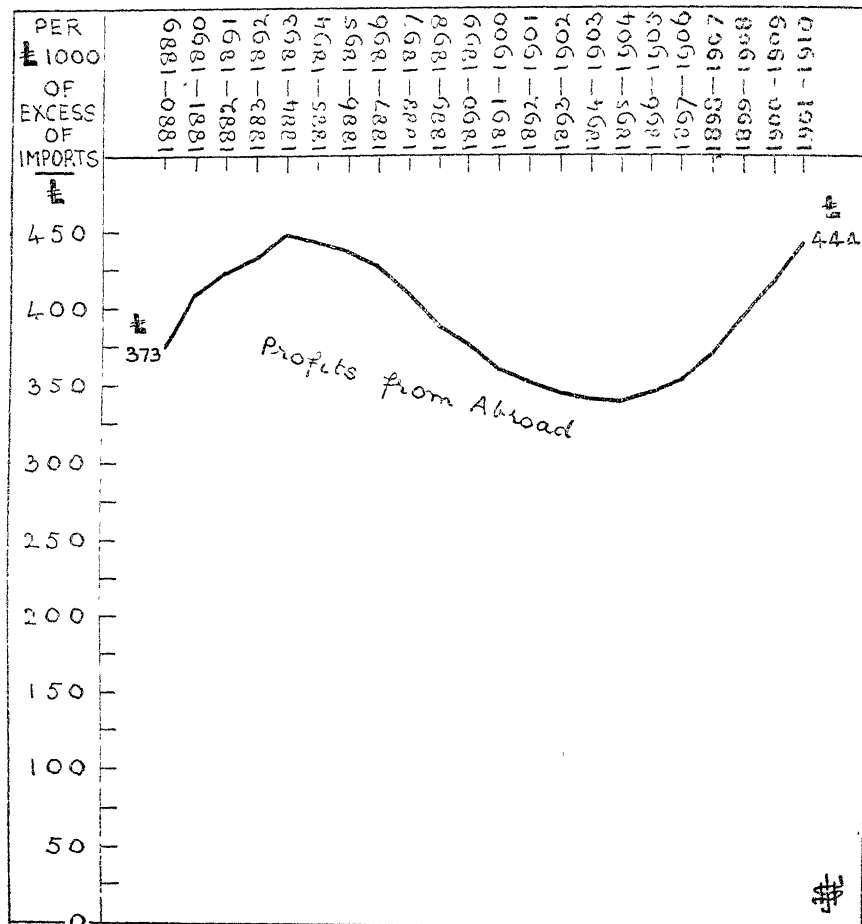
TABLE 100.—UNITED KINGDOM A COMPARISON OF THE EXCESS OF IMPORTS WITH THE “PROFITS FROM ABROAD,” AND SHOWING THE AMOUNT OF “PROFITS FROM ABROAD” TO EVERY £1000 OF EXCESS OF IMPORTS, 1880-1910 *Yearly Averages during each Decade*

Decade.	Excess of Imports (See Table 94.)	“Profits from Abroad.”	Amount of “Profits from Abroad” to every £1000 of Excess of Imports
	Million £.	Million £	Per £1000
1880—1889	103·9	39	373
1881—1890	102·0	42	409
1882—1891	105·2	44	422
1883—1892	108·0	47	432
1884—1893	108·9	49	448
1885—1894	114·1	51	444
1886—1895	119·3	52	438
1887—1896	125·0	53	428
1888—1897	132·6	54	410
1889—1898	142·1	55	390
1890—1899	148·1	56	379
1891—1900	156·4	57	362
1892—1901	162·5	57	354
1893—1902	168·3	58	346
1894—1903	173·6	59	342
1895—1904	178·0	61	341
1896—1905	180·4	62	346
1897—1906	182·6	65	355
1898—1907	181·9	68	372
1899—1908	177·7	71	397
1900—1909	177·3	74	417
1901—1910	175·2	78	444

Note.—The rise in “Profits from Abroad” in recent years is appreciable due to the transference of British capital invested in the United Kingdom to investments outside of the United Kingdom. This transfer relates largely to privately-owned capital, and has been caused by political agitation and speeches affecting the security of capital invested in the United Kingdom. The “Profits from Abroad” resulting from this transfer of British capital are all included in this table, although an appreciable part of these increased “Profits from Abroad” is in no way an Invisible Export that pays for some of our imports of merchandise.

invisible exports; but some cautious men doubt whether these invisible exports still suffice to pay for the enormous growth in our excess of imports, and the results now clearly seen in Tables 98 and 100 prove the necessity for such cautious

DIAGRAM XXXI.—SEE TABLE 100. UNITED KINGDOM: SHOWING THE PROFITS FROM ABROAD RELATIVELY TO THE EXCESS OF IMPORTS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade Profits from Abroad were £373 per £1000 of our Excess of Imports; during the last decade, £442 per £1000. There was a large intervening Fall. The large recent rise in Profits from Abroad is mainly due to the transference of private British Capital from the United Kingdom, owing to recent legislation and political agitation affecting the security of capital invested in the United Kingdom. The Profit from Abroad on this transferred capital is not a payment for imports.

doubt. Moreover, no addition to our excess of imports has been made in respect of our invisible *imports* already mentioned—namely, the services rendered to us by foreign shipping. Also, the recent increase in the exportation of British capital whose Profits are included in Table 100, has been to a large extent not the exportation of British manufacturing capital, but the sending away of British capital by private investors who have been impelled to sell out their holdings in British securities on account of the attacks made upon the security of British-invested capital by a Chancellor of the Exchequer.

In addition to the mode of treatment of our invisible exports illustrated in Tables 98 and 100—and where, be it noted, we have dealt with recorded fact, not with conjectural estimates—we may proceed to measure the gross earnings of our shipping as distinct from the net profit which has already been set out.

In Blue Book Cd. 1761, 1903, page 101, the yearly excess of 161 millions of excess of imports during 1893-1902 is accounted for thus:—

	Million £.
Yearly Shipping Earnings . . .	90
Yearly Profit from Abroad (minimum) . . .	62½
	<hr/>
	152½
	<hr/>

* For the year 1902.

And it is stated that as the 62½ millions profit from abroad in 1902 is a minimum amount, this item, added to the alleged 90 millions from shipping, suffices to pay for the 161 millions of excess of imports yearly during 1893-1902.

We may note here that it is appreciably inaccurate to take the average of the excess of imports during 1893-1902 and to use in connection with this average of ten years the *year's* profit from abroad in 1902, for this use over-states by five or six millions the profits from abroad. These profits ought to have been shown at the average amount during the same period over which the average excess of imports extends, namely, 1893-1902.

The estimate of 90 millions' per year from shipping earnings

is stated in the Blue Book to be confirmed by another estimate made by the late Sir R. Giffen, who placed our gross shipping earnings in the year 1898 at 89 millions. But Sir R. Giffen's estimate, which, according to the Blue Book, "has not escaped criticism," is mainly based upon his assumption that our steam shipping employed in the foreign trade earns £12 per year per ton. It is not stated whether this means £12 per ton gross or £12 per ton net. Let us see what this "confirming" estimate means. We will use an actual example.

A cargo steamer of 3000 tons gross (2000 tons net), with all the latest improvements, can be built for £10 per ton gross. Cost of this ship, £30,000. If this ship is to earn £12 per ton net, the yearly earnings of it will be £24,000 upon a total cost of £30,000. If this ship is to earn £12 per ton gross, the yearly earnings of it will be £36,000 upon a total cost of £30,000.

Whichever of these two results is intended to apply to the estimate by Sir R. Giffen, we see a strong probability that his estimate of £12 per ton is too high. And taking the lower of these two results, we are not justified to assume that a ship costing £30,000 will earn *yearly* £24,000, which are to be set off against £24,000 of our imports of merchandise.

But as the official estimate of 90 millions per year earned by our shipping coincides with this estimate by Sir R. Giffen, which is obviously mistaken, we have here another proof that the official estimate of 90 millions is also mistaken—for things that are equal to the same thing are equal to one another.

We must go to work in another fashion if we wish to form an approximately true estimate of our yearly shipping earnings; that is to say, of our gross receipts from British shipping.

Table 101 shows Net Shipping Profit, Gross Shipping Earnings, Profits from Abroad, the Excess of Imports; and it also shows the balance of the Excess of Imports not paid for by Gross Shipping Earnings *plus* Profits from Abroad.

Column J of Table 101 is specially interesting. It shows the balance of our excess of imports that was not paid for by our exports visible and invisible, after estimating the latter at a high value. See the Notes appended to Table 101.

After putting our gross yearly shipping earnings at a high amount, after having intentionally over-stated their amount in several directions, we find them to have been during 1901-1910 an average yearly amount of 42 million £. During the same period our average yearly "Profits from Abroad" were 78 million £ (see Table 101), making a total of 120 million £ yearly during 1901-1910 with which to pay our excess of imports, equal to 168 million £ yearly (including exported ships). This leaves a balance of 48 million £ yearly during 1901-1910 excess of imports that was not paid for by Gross Shipping Earnings *plus* our Profits from abroad. See Table 101.

Another way in which this balance of approximately 48 millions* can be paid is by our capital; by a transfer of securities formerly held by us; and that transfer can be made without diminishing to the slightest extent the totals shown in our British returns of capital and income. It would merely mean that a small part of this capital and income is annually transferred to non-British ownership. The official returns do not tell us who *owns* the capital and the income registered in the United Kingdom that year after year are entered in the British Blue Books, and neglect to see the possible meaning of this omission of information has caused serious, common, and honest error. The official returns of capital and of income in the United Kingdom do not profess to state that all such capital and income are in British ownership—an unknown part of it is in non-British ownership.

Even if we had actually and visibly to pay away capital to the extent of 48 millions per year in order to make good the

* Observe that in Table 101 no account is taken of our invisible *imports*. If these had been included, this balance of approximately 48 million £ would be considerably larger.

TABLE 101.—UNITED KINGDOM: NET SHIPPING PROFIT, GROSS SHIPPING EARNINGS, PROFITS FROM ABROAD, EXCESS OF IMPORTS, AND AMOUNT OF EXCESS OF IMPORTS NOT PAID FOR BY GROSS SHIPPING EARNINGS *plus PROFITS FROM ABROAD, 1880-1910* Yearly Averages during each Decade.

Decade.	All Shipping belonging to the United Kingdom. (Table 98.)		Shipping Capital, at £10 per Gross Ton.	Net Shipping Profit, at 5 per cent on Shipping Capital.	Gross Shipping Earnings, at Five Times the Amount of Net Shipping Profit	Profits from Abroad. (Table 100.)	Gross Shipping Earnings <i>plus</i> Profits from Abroad. (E + F.)	Excess of Imports, (Table 91), <i>less</i> 7 millions for Exports of Ships.	Excess of Imports <i>not paid</i> by G. (H - G.)
	Net Tonnage. A.	Gross Tonnage. B.							
	Mill Tons	Mill Tons	Mill £	Mill £	Mill £	Mill £	Mill £	Mill £	Mill £.
1880—1889	7.2	9.9	99	5.0	25	39	64	97	33
1881—1890	7.4	10.1	101	5.0	25	42	67	95	28
1882—1891	7.5	10.4	104	5.2	26	44	70	98	28
1883—1892	7.7	10.6	106	5.3	26	47	73	101	28
1884—1893	7.8	10.9	109	5.4	27	49	76	102	26
1885—1894	8.0	11.1	111	5.5	27	51	78	107	29
1886—1895	8.2	11.4	114	5.7	28	52	80	112	32
1887—1896	8.3	11.7	117	5.8	29	53	82	118	36
1888—1897	8.5	12.1	121	6.0	30	54	84	126	42
1889—1898	8.6	12.4	124	6.2	31	55	86	135	49
1890—1899	8.8	12.7	127	6.3	31	56	87	141	54
1891—1900	8.9	13.0	130	6.5	32	57	89	149	60
1892—1901	9.0	13.3	133	6.6	33	57	90	155	65
1893—1902	9.2	13.6	136	6.8	34	58	92	161	69
1894—1903	9.4	13.9	139	6.9	34	59	93	167	74
1895—1904	9.5	14.3	143	7.1	35	61	96	171	75
1896—1905	9.7	14.6	146	7.3	36	62	98	173	75
1897—1906	9.9	15.1	151	7.5	37	65	102	176	74
1898—1907	10.1	15.5	155	7.7	38	68	106	175	69
1899—1908	10.4	16.0	160	8.0	40	71	111	171	60
1900—1909	10.6	16.5	165	8.2	41	74	115	170	55
1901—1910	10.9	17.0	170	8.5	42	78	120	168	48

Notes as to Table 101.

- A and B.—These columns include all shipping belonging to the United Kingdom, whether engaged in the Foreign Trade, or not so engaged; thus over-stating the shipping which is available to earn invisible exports.
- C.—Sailing-ships are valued at the same rate as steam-ships, although not worth as much. All ships are valued at their "new value" of £10 per gross ton, no deduction being made for depreciation.
- D.—This yearly Net Profit, taken at 5 per cent. on Shipping Capital, is probably too high, at any rate in more recent years, owing to the fall in shipping freights.
- E.—No deduction is made for the upkeep of ships, etc. The total Gross Shipping Earnings are stated, and these yearly Earnings are taken at a high yearly amount,

excess of our imports, in place of merely and invisibly transferring securities which continue to be commonly regarded as in British ownership, we could do this for a long while without any appreciable effect being seen.

The wealth of the United Kingdom is estimated at not less than 12,000 millions. Compared with this amount, 48 millions are not much more than one halfpenny in the £. But, as already stated, we do not visibly have to pay away this balance of 48 millions: it may mean merely a transfer of securities from British to non-British ownership, the capital remaining in the United Kingdom and being recorded as British capital, but not as British-owned capital. This way of paying for a part of our vast excess of imports out of capital is radically unsound, and it must tell against us in the long-run.

Nor would this paying for some of our imports out of capital make any difference in our income-tax returns, for the income from capital in the United Kingdom goes into our official returns irrespective of the ownership of that income. To take an instance: the whole of our railway stock might be owned by foreigners (it is not, of course); but if it were so owned, the income from it would still be ranked in our returns as British income.

Notes to Table 101—Continued.

which is no less than one-quarter of the capital value of the actual ships—for example, a ship costing £40,000 is assumed to earn £10,000 *yearly*.

F.—See the Note to Table 100.

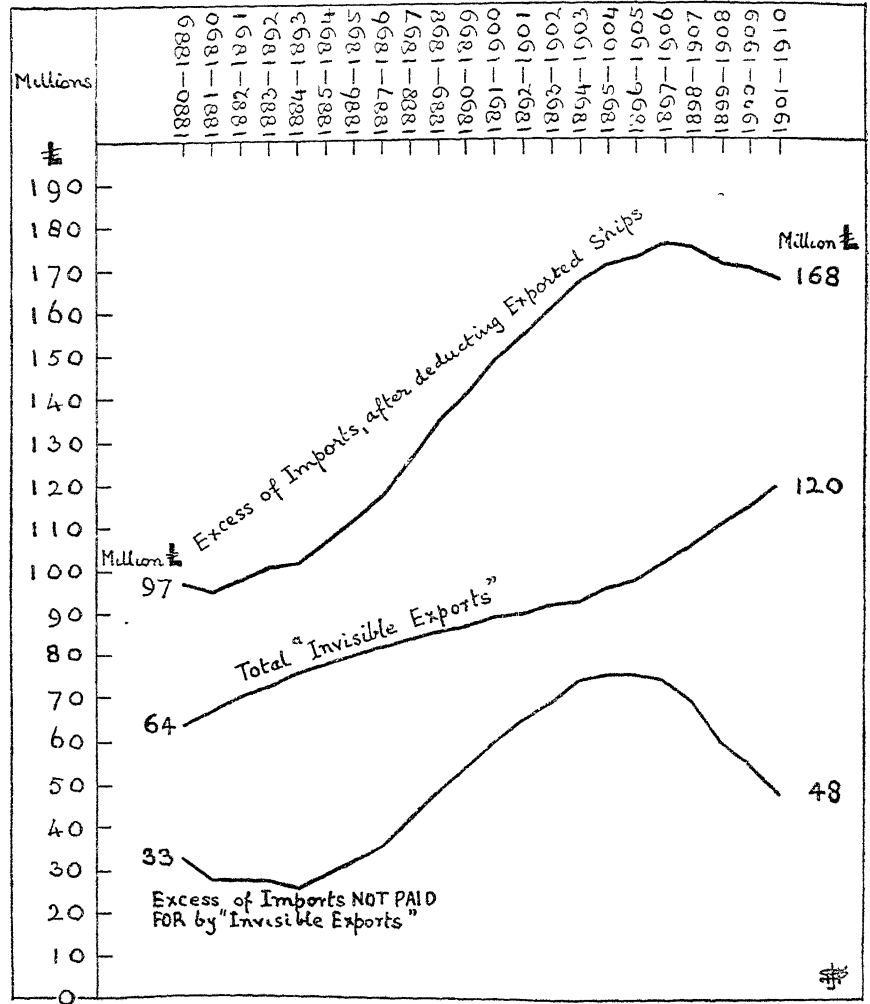
G.—No deduction is made on account of shipping services rendered to us by foreign shipping, and which are an invisible *import*, not included in column H. See Table 93.

H.—This is the yearly excess of All Imports over All Exports, including in exports the estimated yearly value of exported ships. Re-exports are included, and also all bullion and specie, and diamonds.

J.—A consideration of the preceding remarks, which show that the amounts in column G have been over-stated rather than under-stated, may suggest that the amounts in column J are below rather than above the actual excess of imports not paid for by Gross Shipping Earnings *plus* Profits from Abroad.

Observe the large and continuous increase in Gross Shipping Earnings *plus* Profits from Abroad, column G; and then observe that these increases have *not been sufficient* to make good the larger increase in our Excess of Imports. That is the essential thing to be determined by investigation of actual fact, as shown in Table 101. It can not be determined by economic dogma.

DIAGRAM XXXII—SEE TABLE 101. UNITED KINGDOM: SHOWING THE EXTENT TO WHICH TOTAL INVISIBLE EXPORTS HAVE PAID FOR, OR NOT PAID FOR, THE EXCESS OF IMPORTS, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—Total Invisible Exports increased from 64 to 120 million £ yearly; but this increase was not sufficient to keep pace with the growth of the Excess of Imports, after deducting from the latter 7 million £ yearly, *throughout the whole period*, for exports of ships. Thus the Excess of Imports remaining *not paid for* by Total Invisible Exports has increased from 33 to 48 million £ yearly. The Gross Shipping Earnings are intentionally put at a high estimate,—see the Notes to Table 101. The Total Invisible Exports are largely non-British-labour-employing,—see Notes to Table 103.

Again, if we had actually and visibly to pay away income equivalent to a yearly loss of 48 millions of capital, what would that mean? At 3 per cent., the income on 48 millions is £1,440,000. But the total income of the United Kingdom is estimated at 1400 millions yearly, and the relation of £1,440,000 to 1400 million £ is equivalent to rather more than half a farthing in the £1.

It is important to direct attention to the results that have been shown in regard to the excess of our imports and as to how that excess is now being paid by us. There is considerable probability that during the decade 1901-1910 approximately 48 million £ yearly of our excess of imports have been paid for by us out of capital, without such payment out of capital being seen in our returns of capital: in other words, approximately 7·5 per cent. of our total imports has not been paid by exports, visible and invisible, and has been paid by a transfer of securities from British to non-British ownership. See Table 103. And this necessarily without any visible sign of such transfer, because our records contain no information as to who owns the capital and the income registered in the United Kingdom that are too hastily assumed to be in British ownership.

In this matter, too much has been taken for granted without proper examination of the many different kinds of recorded facts that, as now shown, are available for investigation.

By the light of the results now shown, it is imprudent in a high degree to continue to rely upon the maxim, "The excess of our imports is the measure of our prosperity"; for in any case this maxim may be true only when all our imports are paid by our yearly earnings, visible and invisible; and this condition has ceased to obtain in recent years. See Table 101. Moreover, and as Chapter I. demonstrates, the prosperity or non-prosperity of our foreign commerce is no indication whatever as to the prosperity or non-prosperity of our Home Production and Industrial condition.

We know that large investments of foreign capital have been made in this country, and the facts that have been shown, taken with this uncertainty as to who owns the capital, and the income that pays tax, in the United Kingdom, should suffice to cause any thoughtful student of our commercial affairs finally to abandon, as a misleading will-o'-the-wisp, the stock maxim, that all our imports *must* be paid for by our exports. There is some reasonable probability that for some years we have been paying for a part of our imports out of our capital by a transfer of securities from British to non-British hands; and as a minor but confirming point, we have seen in Table 84 the continually increasing exports of gold to foreign countries. See also Table 92, which shows the largely increased proportion of our imports which is paid for by our net exports of bullion and specie.

No one can rightly dispute the principle of invisible exports paying for an excess of imports. But this being granted, no one can safely assume that always, and in all conditions, invisible exports *must* pay for any excess of imports, however great the latter may be; and reasons have been stated for the avoidance of this dangerous assumption. The question that we have had to answer is, *Has the increase in our invisible exports been sufficient to pay the very great increase in our excess of imports, as a matter of actual fact?* And the answer that is given by recorded fact, carefully and widely surveyed, is that for some years our invisible exports have ^{scarcely} increased sufficiently to pay for the much greater increase ⁱⁿ our excess of imports. ~~se-~~

Table 102 gives further evidence upon another base of fact, that proves British Shipping not to have increased sufficiently to keep pace with the increase in our excess of imports.

All the foregoing investigations of fact in many directions are necessary if we want to find light as to how our excess of imports is paid for. But no small number of men, presumably intelligent and cautious in matters other than this question, are content wholly to dispense with investigation, and rashly

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to jump at a conclusion that is supported by nothing stronger than the dogma, "Our imports are paid for by our exports." And some assert that every import necessitates an equal British-labour-employing export. The repetition of these eight words

TABLE 102.—UNITED KINGDOM: A COMPARISON OF THE EXCESS OF IMPORTS, WITH BRITISH SHIPPING ENTERED AND CLEARED AT PORTS IN THE UNITED KINGDOM FROM AND TO ALL OTHER COUNTRIES, WITH CARGOES, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Excess of Imports. (Table 94.)	British Shipping Entered and Cleared at Ports in the United Kingdom, with <u>CARGOES</u> , from and to all other Countries.	
		Net Tonnage. (Table 93.)	Tons to every £1000 of Excess of Imports.
	Million £.	Million Tons	Tons.
1880—1889	103·9	40·6	390
1881—1890	102·0	41·6	408
1882—1891	105·2	42·5	404
1883—1892	108·0	43·3	401
1884—1893	108·9	43·8	402
1885—1894	114·1	44·7	392
1886—1895	119·3	45·6	382
1887—1896	125·0	46·8	374
1888—1897	132·6	47·9	361
1889—1898	142·1	48·8	343
1890—1899	148·1	49·6	335
1891—1900	156·4	50·2	321
1892—1901	162·5	51·0	314
1893—1902	168·3	51·9	308
1894—1903	173·6	53·2	306
1895—1904	178·0	54·2	305
1896—1905	180·4	55·3	307
1897—1906	182·6	56·5	310
1898—1907	181·9	57·8	319
1899—1908	177·7	58·9	331
1900—1909	177·3	59·9	338
1901—1910	175·2	61·2	349

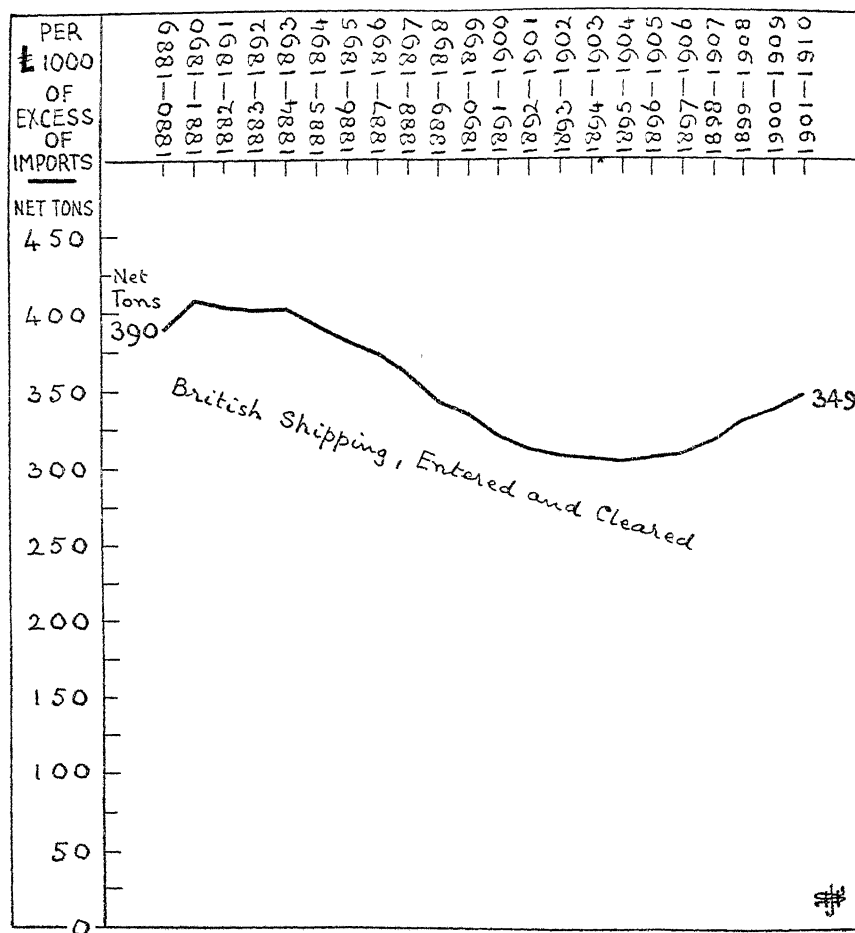
A large
Rise

A
continuous
Rise

A large
Fall,
with
some
Recovery

is as easy as a nursery rhyme, but such repetition is childish when put by the side of amply surveyed fact, which shows that there is solid ground for rational doubt upon the question of our imports being wholly paid for by our exports. See the summary given in Table 103: Following these obscurants,

DIAGRAM XXXIII—SEE TABLE 102. UNITED KINGDOM: SHOWING THAT BRITISH SHIPPING ENTERED AND CLEARED, WITH CARGOES, AT PORTS IN THE UNITED KINGDOM, HAS NOT KEPT PACE WITH THE GROWTH OF THE EXCESS OF IMPORTS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, 390 tons of British Shipping Entered and Cleared, with cargoes, at Ports in the United Kingdom, per £1000 of the Excess of Imports; during the last decade, 349 tons per £1000 of the Excess of Imports.

Thus this British Shipping has not kept pace with the growth of the Excess of Imports.

we might assert the comfortable eight-word dogma, "Every man's expenditure is paid by his income." As an economic copy-book heading, this dogma would be as useful as the other.

The foregoing treatment of our excess of imports is radically different in principle and in result from the hasty assumption that is sometimes made, namely, that our whole excess of imports has to be paid by our capital. This hasty assumption is rightly to be condemned, for it takes no account of our large invisible exports.

In this chapter, our invisible exports have been included, and those relating to our shipping earnings have been put at a high estimate. Moreover, our imports in Tables 101 and 103 are only our visible imports: their amount has not been increased by the inclusion of our invisible imports, such as sea-carriage done for us by foreign nations, and for which we have to pay. See Table 93. Also, our exports, visible and invisible, in Tables 101 and 103 have been retained at their full value. Whereas we might justly have reduced this stated value to the extent of the value of the income upon foreign investments in the United Kingdom, for such income goes out of the United Kingdom in the form of exports. Thus there is considerable reason to believe that the balance of approximately 48 millions in Table 103, not paid for by our visible and invisible exports, has by no means been over-stated; and that this balance has possibly to be paid by us by a transfer of British capital to foreign ownership.

Even if we take no account of this balance of approximately 48 millions; if we assume that it is non-existent, and that all our imports are paid for by our exports; we are then faced by the fact, amply demonstrated in the Notes to Table 103, that our imports are largely paid for by non-British-labour-employing exports.

But we are not justified thus to assume the non-existence of this balance of approximately 48 millions, for its existence is a rational conclusion, widely based upon several different

TABLE 103.—UNITED KINGDOM: SHOWING HOW ALL IMPORTS WERE PAID FOR DURING THE DECADE 1901-1910. *Yearly Averages during this Decade*

ALL IMPORTS		
General Imports of Merchandise, Table 41		Million £.
Imports of Diamonds, Table 159		6
Imports of Bullion and Specie, Table 81		53
Total, All Imports, Table 94		645 (1)

How All Imports were paid for.	Value (a)	Percentage of (a) per £100 of All Imports (645 Million £)
I By VISIBLE Exports :—	Million £	Per cent
Special Exports of Merchandise, (2) Table 54	340	52·7
Re-Exports of Merchandise, (3) Table 54	80	12·4
Exports of Bullion and Specie, Table 81	50	7·7
Total, Table 94	470	72·8
Add Exports of Ships, Table 94	7	1·1
Total VISIBLE Exports	477	73·9
II. By INVISIBLE Exports :—		
Gross Shipping Earnings, (4) Table 101	42	6·5
Profits from Abroad, (5) Table 101	78	12·1
Total INVISIBLE Exports, Table 101	120	18·6
III Total of VISIBLE <i>plus</i> INVISIBLE Exports	597	92·5
IV. Balance of All Imports, (6) <u>not paid for</u> by the above exports, Visible and Invisible, Table 101	48	7·5
[This Balance was possibly paid for by a transfer of capital securities from British to non-British ownership, the capital remaining in the United Kingdom, paying income tax, and being commonly regarded as British-owned capital.]		
V. Total of Items III., IV.	645	100·0

Notes as to Table 103.

(1) These 645 million £ of imports do not include Invisible Imports, such as services rendered to the United Kingdom by foreign Shipping. See Table 93.

(2) A part of the value of these exports consists of the value of the raw material, notably in cotton exports. Thus these exports are not wholly British-labour-employing exports.

(3) These are exports of merchandise previously imported. Thus these exports are not British-labour-employing exports.

classes of fact, and which is wholly removed from the hasty and irrational assumption mentioned on page 167.

The facts contained in this chapter show that no prudent man can take for granted that our imports must always be paid for by our exports; and abundant evidence has been given to make certain that our imports are not now paid for by an equal amount of British-labour-employing exports. As regards the references made to capital and income, it should be remembered that all property in the United Kingdom has to pay income tax, whether the owners are or are not subjects of the King, and whether these owners are or are not resident in the United Kingdom: in other words, capital recorded in the United Kingdom is not necessarily *British-owned* capital. This is an important economic fact that is commonly overlooked, and which renders possible the payment for some of our imports out of our capital, without any notification of such payment out of capital being given in our official returns of capital and income.

Notes as to Table 103—Continued.

(4) Gross Shipping Earnings include wages paid to seamen, and a considerable part of these wages is paid to foreign seamen on British ships. Thus the wages part of this item is not wholly British-labour-employing. Moreover, as Gross Shipping Earnings include all money spent for ships' stores, etc., which are brought in foreign or in colonial ports, another part of this item is not British-labour-employing.

(5) This item includes profits on British manufacturing capital invested outside of the United Kingdom. This foreign-invested British capital pays wages to Foreign workmen. Thus this is not a British-labour-employing item. See also the Note to Table 100.

(6) This is not a British-labour-employing item. Note that this Balance of Imports, not paid for by exports, visible and invisible, relates to 7·5 per cent. of All Imports. Our exports, visible and invisible, paid for 92·5 per cent. of All Imports.

CHAPTER VI

MANUFACTURED GOODS *

VARIOUS large divisions of imports and exports have been dealt with, and one of the main groups of these may now be set out.

The most important group is our imports and exports of articles wholly or mainly manufactured.

First, in Table 104, we have the respective values of our general imports and of our special exports of manufactured goods, and the rate of growth in each group. Some clearly defined features of our trade are disclosed. We have, also, our net exports of manufactured goods.

Our imports of manufactured goods have risen continuously and largely throughout the long period covered by Table 104. During the first decade, 1880-1889, these imports averaged 79·4 million £ per year, and during the last decade, 1901-1910, the yearly average of our imported manufactured goods was 143·6 million £.

The rate of growth in our imports of manufactured goods was also continuous and large. For every £100 of manufactured goods imported by us during 1880-1889, we

* Based upon Blue Book Cd. 2337; the 57th and earlier Statistical Abstracts for the United Kingdom; the Annual Statement of the Trade of the United Kingdom (Cd. 5159); Accounts relating to Trade and Navigation, December 1910; Cd. 4954, page 76; Cd. 5446 and earlier volumes; and upon information supplied by the Board of Trade. The Board of Trade classification of Manufactured Goods has been retrospectively altered since the last issue of this book. Thus some small differences will be seen in tables in this chapter when compared with similar tables in the last issue.

imported £181 during 1901-1910 — a growth of 81 per cent.

Looking now at our exports of manufactured goods in Table 104, we see that throughout the greater part of the period observed there has been a fall or stagnation. The rise during the later periods of Table 104 does not make up for the long stagnation in our exports of manufactured goods. Here again we may observe the necessity to study long periods, if we desire to see what is the course of our trade; for if we were to look merely at the recent periods of Table 104, we should be led to believe that our exports of manufactured goods are in a satisfactory condition; whereas, as we see plainly, this rise is merely an inadequate set-off against a prolonged decline in our exports of manufactured goods. Most fallacious opinions are formed by looking at individual years, in place of studying long and continuous periods.

When we look at the growth of our exports of manufactured goods as set out in Table 104, we see decline in place of growth, with a growth only during the later periods, which include all the recent boom years of our export trade. It is enlightening to look from this column to the other column in Table 104, which shows the growth of our imports of manufactured goods. The contrast is very striking.

We are sometimes told that the unrestricted entry of manufactured goods into this country stimulates and increases our own production and export of manufactured goods. But is this really the case?

Here, in Table 104, we have most conclusive evidence of the great increase in our imports of manufactured goods, side by side with equally strong evidence of prolonged stagnation in exports of manufactured goods during the greater part of the table. The opinion now quoted is evidently mistaken, and it is mistaken for the reason that it is based upon a theoretic idea of what ought to be, in place of upon a careful observation of recorded fact which is; and when fact and theory

are in opposition, we ought to be guided by fact—not by theory.

TABLE 104.—UNITED KINGDOM: GENERAL IMPORTS AND SPECIAL EXPORTS OF MANUFACTURED GOODS, ALSO NET EXPORTS, 1880-1910. *Yearly Averages during each Decade.*

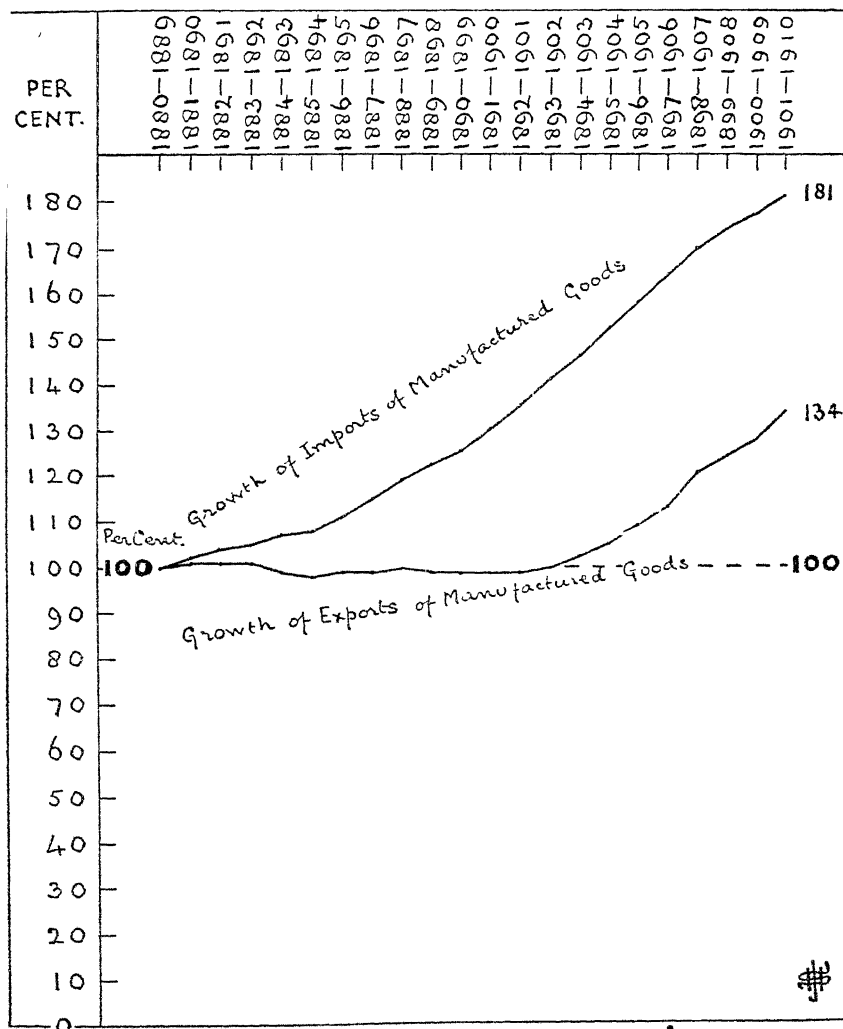
VALUE AND GROWTH.

Decade.	General Imports of Manufactured Goods.		Special Exports of Manufactured Goods.*		Net Exports of Manufactured Goods. B - A.
	Average Yearly Value (Table 48.) A.	Growth, beginning at 100.	Average Yearly Value (Table 71.) B.	Growth, beginning at 100.	
	Million £	Per cent	Million £.	Per cent	Million £
1880—1889	79·4	100	201·6	100	122·2
1881—1890	80·7	102	204·5	101	123·8
1882—1891	82·4	104	204·9	101	122·5
1883—1892	83·6	105	202·9	101	119·3
1884—1893	84·7	107	200·4	99	115·7
1885—1894	86·0	108	198·1	98	112·1
1886—1895	88·1	111	198·7	99	110·6
1887—1896	91·0	115	200·7	99	109·7
1888—1897	94·1	119	201·0	100	106·9
1889—1898	96·6	122	200·1	99	103·5
1890—1899	99·7	126	199·5	99	99·8
1891—1900	103·5	130	198·9	99	95·4
1892—1901	107·3	135	199·2	99	91·9
1893—1902	111·6	141	202·0	100	90·4
1894—1903	116·3	146	206·4	102	90·1
1895—1904	120·8	152	212·2	105	91·4
1896—1905	125·4	158	219·3	109	93·9
1897—1906	130·4	164	228·4	113	98·0
1898—1907	135·0	170	242·0	120	107·0
1899—1908	138·2	174	251·2	124	113·0
1900—1909	140·8	177	259·4	128	118·6
1901—1910	143·6	181	270·8	134	127·2

* Excluding ships, not recorded until 1899. The average yearly value of exported ships was 7·6 million £ during 1899-1910.

This matter of imports and exports of manufactured goods is so important, that we must look at the results from more than one point of view.* Look, for instance, at our net exports of manufactured goods in Table 104. These were 122·2 million £ yearly during the first decade and 127·2 million

DIAGRAM XXXIV.—SEE TABLE 104 UNITED KINGDOM: THE GROWTH OF GENERAL IMPORTS OF MANUFACTURED GOODS, AND OF SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—For every £100 of Manufactured Goods imported by us during 1880-1889 we imported £181 during 1901-1910.

For every £100 of Manufactured Goods exported by us during 1880-1889 we exported £134 during 1901-1910. During the greater part of the period 1880-1910, these exports were stagnant or declining. These results contradict *doctrinaire* political economy, which asserts that imports automatically stimulate and develop exports.

£ yearly during the last decade, which, moreover, includes all the recent years of booming export trade.

There was a large and nearly continuous fall in these net exports from the decade 1880-1889 to the decade 1894-1903. A rise then set in, but this short rise has been largely inadequate to make good the prolonged fall.

As shown in Table 104, these net exports are the excess of our special exports over our general imports of manufactured goods. Of the latter, the large majority are for consumption in the United Kingdom, and they directly compete with our home production. The small minority of these general imports are subsequently exported by us under the head of re-exports, thus competing with our export trade in manufactured goods of our own production. Therefore, as was done in the first and second "Fiscal Blue Book," it is necessary to put side by side our general imports and our special exports of manufactured goods. In Table 105, we shall see our special imports side by side with our special exports of manufactured goods.

No one who looks at the last column of Table 104 can regard as satisfactory the large and prolonged decline in these net exports of manufactured goods, even when we take note of the recovery in recent periods.

Now look at Table 105, which compares our special imports with our special exports of manufactured goods. Here we throw out from general imports the goods that we subsequently exported under the head of re-exports, and we have remaining our special imports of manufactured goods for consumption in the United Kingdom compared with our special exports of home-produced* manufactured goods.

The gist of Table 105 is in columns E and F—Net Special Exports. In column E, the value fell largely and nearly continuously from the first decade up to 1893-1902; and the

* Although these are called home-produced manufactured goods, there is no doubt but that a considerable and probably an increasing part of these goods is made up of foreign manufactured or partly manufactured goods, exported by us under the head of British manufactures.

rise since the latter decade is but trivial compensation to our manufacturers and to our workmen for this large and prolonged

TABLE 105.—UNITED KINGDOM: SPECIAL IMPORTS AND SPECIAL EXPORTS OF MANUFACTURED GOODS, ALSO NET SPECIAL EXPORTS, 1880-1910.
Yearly Averages during each Decade

Decade.	General Imports. (Table 104.)	Re-Exports.*	Special Imports. (A - B.)	Special Exports.† (Table 104.)	Net Special Exports ‡	
	A.	B.	C.	D.	Value. (D - C.)	Per 100 of Population
	Million £	Million £	Million £	Million £	Million £	£
1880—1889	79.4	14.0	65.4	201.6	136.2	380
1881—1890	80.7	14.2	66.5	204.5	138.0	381
1882—1891	82.4	14.3	68.1	204.9	136.8	375
1883—1892	83.6	14.4	69.2	202.9	133.7	364
1884—1893	84.7	14.3	70.4	200.4	130.0	351
1885—1894	86.0	14.2	71.8	198.1	126.3	338
1886—1895	88.1	14.2	73.9	198.7	124.8	331
1887—1896	91.0	14.1	76.9	200.7	123.8	326
1888—1897	94.1	14.1	80.0	201.0	121.0	315
1889—1898	96.6	14.2	82.4	200.1	117.7	304
1890—1899	99.7	14.3	85.4	199.5	114.1	292
1891—1900	103.5	14.6	88.9	198.9	110.0	279
1892—1901	107.3	15.1	92.2	199.2	107.0	269
1893—1902	111.6	15.4	96.2	202.0	105.8	264
1894—1903	116.3	16.0	100.3	206.4	106.1	261
1895—1904	120.8	16.8	104.0	212.2	108.2	264
1896—1905	125.4	17.7	107.7	219.3	111.6	271
1897—1906	130.4	19.0	111.4	228.4	117.0	280
1898—1907	135.0	20.3	114.7	242.0	127.3	301
1899—1908	138.2	21.1	117.1	251.2	134.1	315
1900—1909	140.8	21.8	119.0	259.4	140.4	325
1901—1910	143.6	22.7	120.9	270.8	149.9	345

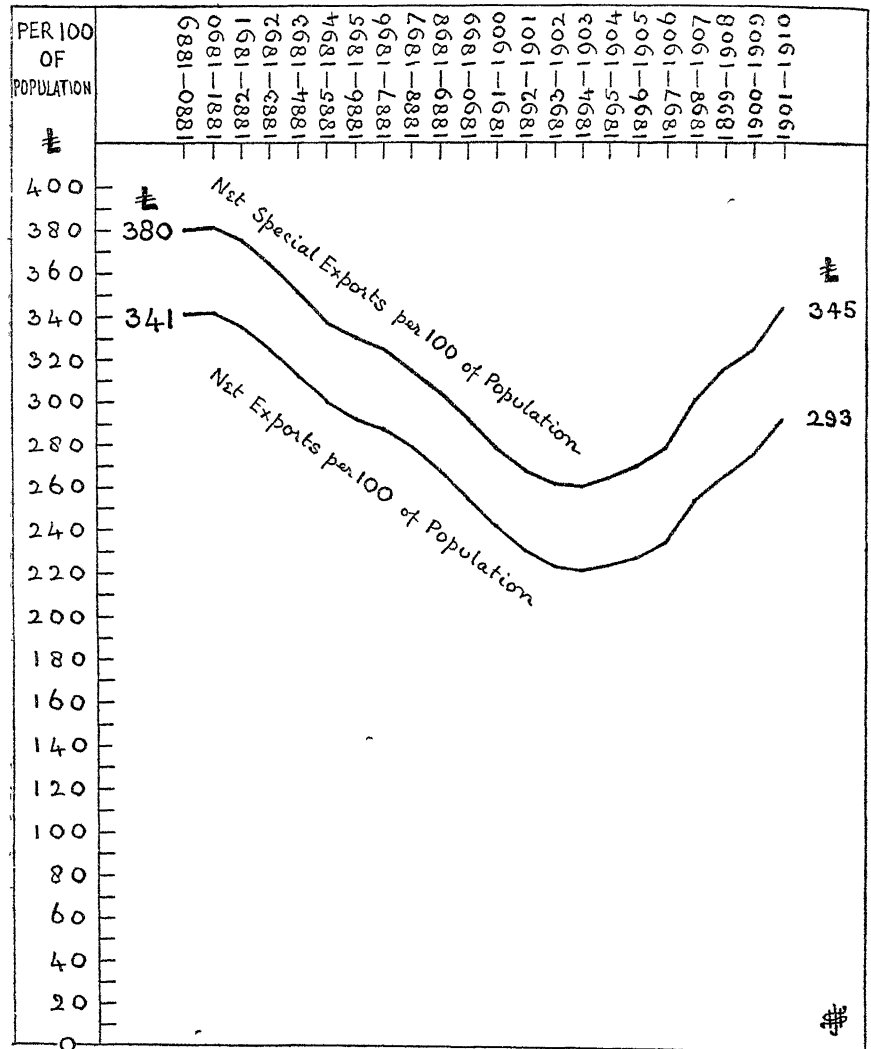
* Partly estimated for the nine single years 1881-1889, for which the values are not recorded, and have to be deduced from other values that are recorded. These nine partly estimated amounts are then incorporated with the known amounts for the other nineteen years, and the amounts for the whole thirty-one years are then shown as above, in yearly averages during each decade. The unavoidable partial-estimate for the nine years 1881-1889 probably differs but slightly from the actual amounts, especially in the above form of yearly averages during each decade.

† Excluding ships, valued at a yearly average of 7.6 million £ during 1899-1910.

‡ See Tables 104 and 107 for the Net Exports; that is to say, Special Exports less General Imports. The above "Net Special Exports" are Special Exports less Special Imports.

fall; and when, in column F of Table 105, we look at the population test, we see a worse result than in column E, which takes no account of the increase in our population since 1880.

DIAGRAM XXXV.—SEE TABLES 105 AND 107. UNITED KINGDOM:
SHOWING, PER 100 OF OUR POPULATION, THE NET SPECIAL EXPORTS OF
MANUFACTURED GOODS, AND THE NET EXPORTS OF MANUFACTURED
GOODS, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—Net Special Exports of Manufactured Goods, per 100 of our population, fell from £380 yearly to £345 yearly. Net Exports of Manufactured Goods, per 100 of our population, fell from £341 yearly to £293 yearly.

These large falls occurred despite the inclusion above of all the recent years of increased trade, and they account, in part, for the growth of Unemployment in the United Kingdom.

The fall in net special exports was from £380 yearly per £100 of our population during 1880-1889 to £261 during 1894-1903. The loss of wages and of employment caused by this large and prolonged fall must have been enormous, and that loss is but slightly made good by the rise since the decade 1894-1903. Even this rise did not bring us up to the level of the first decade, 1880-1889. Bear in mind that this recent rise in column F of Table 105 is a rise from a rapidly falling position. It is not a rise from a trade condition that, *previously to the rise*, was in accord with a healthy and normal trade progress. That is a most salient feature to note.

Look now at Table 106. Here we see the proportion of manufactured goods to all goods, for imports and for exports respectively.

Looking at general imports, we see that during the first decade our imports of manufactured goods were only £202 per £1000 of all merchandise imported by us, and that during the last period of Table 106 these imports of manufactured goods had risen to £245 per £1000. This large increase is the more significant when we bear in mind that our imports of all merchandise have largely increased—see Table 41.

As regards special imports, these rose from £197 per £1000 of all special imports to £239 per £1000; and these were manufactured imports for home consumption by us.

Looking at exports in Table 106, we see that during the first decade our special exports of manufactured goods were no less than £875 per £1000 of all our special exports. There has been a continuous fall, until, during the last decade of Table 106, our special exports of manufactured goods were only £797 per £1000 of all our special exports of merchandise.

We could scarcely have three more clearly defined and more different courses of trade than are shown in Table 106. And we may reasonably ask ourselves the question—Can the results in Table 106 be regarded as showing a satisfactory condition of our foreign commerce? This continuous decrease in the proportion of manufactured goods exported relatively

to all exports inevitably means a corresponding decrease in British labour employed in making these manufactured goods; and, on the other hand, the increase in the proportion of

TABLE 106.—UNITED KINGDOM: GENERAL IMPORTS, SPECIAL IMPORTS, AND SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910 *Yearly Averages during each Decade.*

PROPORTION OF MANUFACTURED GOODS TO ALL GOODS.

Decade	Of every £1000 of General Imports of Merchandise, the proportion of General Imports of Manufactured Goods was †—	Of every £1000 of Special Imports of Merchandise, the proportion of Special Imports of Manufactured Goods was ‡—	Of every £1000 of Special Exports of Merchandise,* the proportion of Special Exports of Manufactured Goods was §—
	£	£	£
1880—1889	202	197	875
1881—1890	205	200	873
1882—1891	207	203	869
1883—1892	209	205	866
1884—1893	213	210	863
1885—1894	216	212	860
1886—1895	218	216	858
1887—1896	220	219	856
1888—1897	223	222	853
1889—1898	224	223	850
1890—1899	229	228	845
1891—1900	232	231	836
1892—1901	236	234	829
1893—1902	240	238	823
1894—1903	243	241	818
1895—1904	245	242	815
1896—1905	247	243	812
1897—1906	249	244	808
1898—1907	248	243	804
1899—1908	248	242	799
1900—1909	247	241	796
1901—1910	245	239	797

* Excluding ships.

† These are General Imports of Manufactured Goods per £1000 of General Imports.

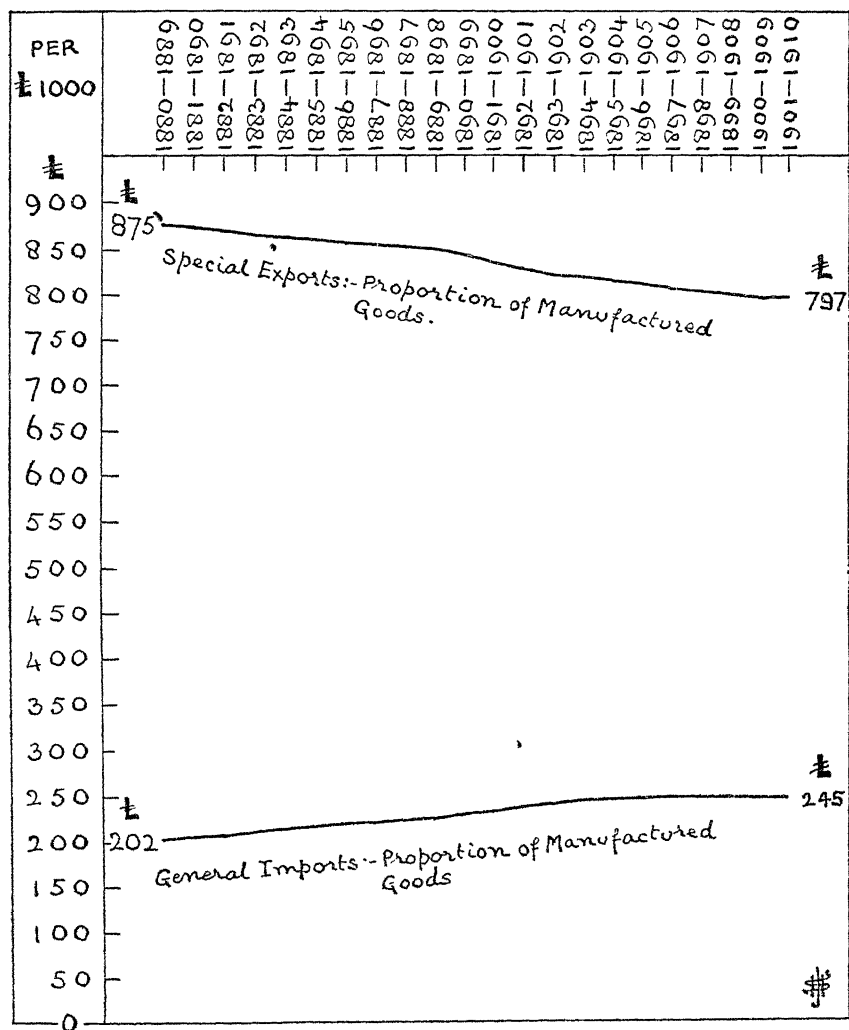
‡ These are Special Imports of Manufactured Goods per £1000 of Special Imports.

§ These are Special Exports of Manufactured Goods per £1000 of Special Exports.

manufactured goods relatively to all goods imported by us means a corresponding increase in foreign labour employed in making these imported manufactured goods.

We will now apply the useful test of population to our

DIAGRAM XXXVI.—SEE TABLE 106. UNITED KINGDOM: SHOWING, FOR GENERAL IMPORTS OF ALL KINDS, AND FOR SPECIAL EXPORTS OF ALL KINDS, THE PROPORTION OF MANUFACTURED GOODS IN EACH GROUP, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade each £1000 of our special exports of all kinds contained £875 of Special Exports of Manufactured Goods. There was a fall to £797 per £1000.

During the first decade each £1000 of our general imports of all kinds contained £202 of General Imports of Manufactured Goods. There was a rise to £245 per £1000.

Thus our exports have decreased in British-Labour-Employing Quality, and our imports have increased in Foreign-Labour-Employing Quality.

general imports and special exports of manufactured goods—we want to look all round the facts.

Table 107 shows the results of this population test, and we see that our imports of manufactured goods largely and

TABLE 107.—UNITED KINGDOM: GENERAL IMPORTS, SPECIAL IMPORTS, AND SPECIAL EXPORTS OF MANUFACTURED GOODS, ALSO NET EXPORTS, 1880-1910. *Yearly Averages during each Decade.*

POPULATION TEST, AND THE PERCENTAGE OF IMPORTED MANUFACTURED GOODS TO EXPORTED MANUFACTURED GOODS.

Decade.	Manufactured Goods per 100 of our Population.				To every £100 of Exported Manufactured Goods, B, the Imported Manufactured Goods, A, were as follow— E.
	General Imports.	Special Exports.*	Net Exports. B - A.†	Special Imports.	
	A.	B.	C.	D.	
	£	£	£	£	Per cent.
1880—1889	221	562	341	182	39
1881—1890	223	565	342	184	39
1882—1891	226	562	336	187	40
1883—1892	227	552	325	188	41
1884—1893	228	541	313	190	42
1885—1894	230	530	300	192	43
1886—1895	234	527	293	196	44
1887—1896	239	527	288	202	45
1888—1897	245	524	279	208	46
1889—1898	249	517	268	212	48
1890—1899	255	510	255	218	† 50
1891—1900	262	504	242	225	52
1892—1901	269	500	231	231	54
1893—1902	278	502	224	240	55
1894—1903	286	508	222	247	56
1895—1904	295	518	223	254	57
1896—1905	303	530	227	261	57
1897—1906	312	547	235	267	57
1898—1907	320	573	253	272	56
1899—1908	324	589	265	275	55
1900—1909	327	603	276	276	54
1901—1910	330	623	293	278	53

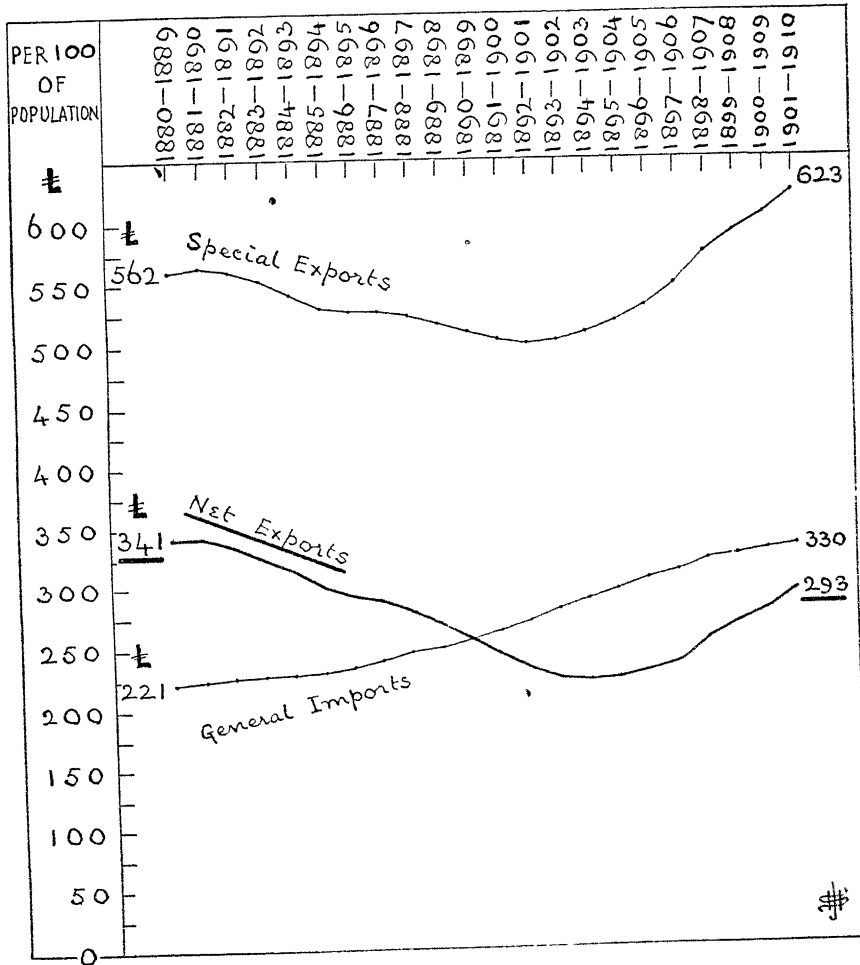
* Excluding ships, whose value was a yearly average of 7·6 million £ during 1899-1910.
† See Table 105, column F, for the Net Special Exports; that is to say, Special Exports *less* Special Imports.

‡ Note that during 1890-1899 our imports of manufactured goods first reached 50 per cent. of our exports of manufactured goods, and that the proportion of imports to exports of these goods has subsequently increased.

FALL IN NET EXPORTS

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DIAGRAM XXXVII.—SEE TABLE 107. UNITED KINGDOM · SHOWING, PER 100 OF OUR POPULATION, GENERAL IMPORTS OF MANUFACTURED GOODS, SPECIAL EXPORTS OF MANUFACTURED GOODS, NET EXPORTS OF MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—I. Special Exports of Manufactured Goods increased from £562 to £623 per 100 of our population, with a large intervening fall.

II. General Imports of Manufactured Goods increased, continuously, from £221 to £330 per 100 of our population.

III. Net Exports of Manufactured Goods (I. minus II.) fell from £341 to £293 per 100 of our population, despite the inclusion above of all the recent years of increased trade.

continuously increased relatively to our population—they increased much faster than our population increased.

But our exports of manufactured goods entirely failed to keep pace with the growth of population throughout nearly the whole of the table. During the first decade of Table 107, we exported yearly £562 of manufactured goods made by our people,* per 100 of our population, and this figure had fallen to £500 during 1892-1901. During the last decade, we exported yearly £623 of manufactured goods made by our people, per 100 of our population. Here, again, the short rise but slightly compensates for the prolonged fall. As our own population make these exported goods, getting a considerable part of their daily employment and wages by the making of them, can we justly believe that the above-stated conditions of our trade in manufactured goods are beneficial to our population? Moreover, as already stated, a considerable and probably increasing proportion of these so-called home-made goods really consists of foreign manufactured goods exported by us under the name of British manufactured goods.

Look at our net exports of manufactured goods in Table 107, per 100 of our population. These fell from £341 during 1880-1889 to £222 in 1894-1903, and the partial recovery since the latter decade to £293 has not put into the pockets of our workmen the wages they lost during the prolonged fall here seen.

And this question may rightly concern us, apart from the further consideration that the large increase in our general imports of manufactured goods also handicaps employment on goods manufactured for consumption in our home market, in addition to the re-export part of these general imports competing with our special exports of manufactured goods. We have to bear in mind that the classification of manufactured goods now being dealt with is an identical classification for both imports and exports: in other words, the

* See Note on p. 204.

imports are articles that compete with our own manufactures, and, as a necessary corollary, with the employment of our own population.

When we look at special imports of manufactured goods per 100 of our population, in Table 107, we again see a large and continuous rise. These goods, imported for consumption in the United Kingdom, have, like the general imports, increased much more than our population has increased, and this increase has been accompanied by a large fall in our special exports of manufactured goods per 100 of our population, throughout the larger part of the period.

Table 107 contains another useful comparison between our imports and exports of manufactured goods of the same class : it shows the relation between our imports of manufactured goods and our exports of manufactured goods.

During the first decade of Table 107, our general imports of these goods were only £39 per £100 of our special exports of manufactured goods ; but there has been a large increase in this percentage, resulting in the importation by us during 1901-1910 of no less than £53 of manufactured goods for every £100 of our special exports of manufactured goods.

Tables 104-107 show beyond a doubt that a most important change has occurred since 1880 in our trade in manufactured goods. Our imports of these goods have largely increased, while our exports of the same class of goods have in no way been maintained—whether we look at the actual values, or at the values relatively to our population, which is the sounder way of looking at our exports of manufactured goods, or at the net exports. And in a later chapter we shall see a serious decline in the Quantity of our manufactured exports. Here we are looking at their Value. See Chapter I., Table 38, where the progress in Unemployment is compared with the progress in our exports of manufactured goods.

An important feature of our special exports of manufactured goods which is commonly overlooked is that a considerable part of their recorded value consists of the imported

raw material of which these British manufactured goods are made. For example, in 1903 those exports were 235 million £, and in 1904 they were 244 million £, an increase of 9 millions. In the same year, 1904, our British exports of Cotton Manufactures increased by 10 millions, and this increase was the cause of the rise of 9 millions in our total special exports (other and small rises and falls made up the difference); but this rise in cotton exports was caused by a rise in the price of raw cotton. In 1904 we paid over 10 million £ more than in 1903 for our imported raw cotton, and the quantity of raw cotton imported rose only from 14 million cwts. to 15 million cwts. Thus by no means all of our special exports of Manufactured Goods are British-labour-employing exports; and it is necessary to examine Quantity and Quality* as well as Value. See Chapter XIV.

A matter of much importance is the destination of our Special Exports of Manufactured Goods, as regards Foreign Countries and British Colonies respectively. Unfortunately, the official returns do not state how our total Special Exports of Manufactured Goods are thus distinguished, except for quite recent years—that is to say, from 1899 onwards. The last year now available, as regards this distinction, being 1909. This gives only a short continuous period of eleven years, which is of course far too scanty to admit of the method of this book being applied to these few years. But one useful result may be repeated from Table 73, relating to 1899-1909. Here it is :—

UNITED KINGDOM: SPECIAL EXPORTS OF MANUFACTURED GOODS,†
1899-1909. *Yearly Average during these eleven Years.*

	Million £.	Per £1000 of Total.
To Foreign Countries . . .	162·8	£ 621
To British Colonies . . .	99·5	379
Total . . .	<u>262·3</u>	<u>1000</u>

† Including ships in all the years.

* Quality of our Manufactured Exports relates to the matter of much or little British labour being put into these goods.

This means that, during these eleven years, of every £1000 of our Special Exports of Manufactured Goods, £621 went to Foreign Countries and £379 went to British Colonies and Possessions; or, in other words, for every £100 of our Special Exports of Manufactured Goods sent to Foreign Countries, £61 were sent to British Colonies and Possessions. This result is valuable, because it shows the great importance to us of our Colonial Markets for the sale of our Manufactured Goods.

Another thing that students of British Commerce would be glad to know is, what, if any, alteration has occurred since the year 1880 in the proportions of our Special Exports of Manufactured Goods sent to Foreign Countries and to British Colonies respectively. The official information in this matter is very scanty. On p. 331 of the second "Fiscal Blue Book" (Cd. 2337) are a few facts relating to isolated years, from which have been prepared the following results, which may be compared with those just shown relating to 1899-1909:—

UNITED KINGDOM: SPECIAL EXPORTS OF MANUFACTURED GOODS IN 1880,
IN 1890, IN 1900. *Excluding ships.*

	1880. Million £.	1890. Million £	1900. Million £.
To Foreign Countries .	129 3	147·5	139·1
To British Colonies .	67·6	78·3	81·1
Total .	<u>196·9</u>	<u>225 8</u>	<u>220·2</u>

and ascertaining the proportions, the results are:—

	1880.	Per £1000 of Total.	
	£	1890. £	1900. £
To Foreign Countries .	657	653	632
To British Colonies .	343	347	368
Total .	<u>1000</u>	<u>1000</u>	<u>1000</u>

But the above isolated records are not sufficient. The falling off in the proportion of our Manufactured Goods sent to Foreign Countries, from £657 per £1000 to £632 per £1000, and the simultaneous increase in the proportion sent to British

Colonies, from £343 per £1000 to £368 per £1000, may possibly be merely an accidental characteristic of the three isolated years 1880, 1890, 1900, selected by the Board of Trade. We want to know these results for every year from 1880 onwards, in order that the course of trade in this most important direction may be made clearly to show itself. We want to know for each year, beginning with the year 1880, our trade in Manufactured Goods (Class III. of the Board of Trade Returns) shown for General Imports, Special Exports, Re-Exports. Also, these Returns should state the facts separately for each foreign country and for each British colony. See Appendix C, Table 253.

If any reader of this book is able to induce the Board of Trade to prepare and publish such a return, a full analysis of it would yield most valuable information. The latter cannot be obtained from the trade returns as at present published. It is, by the way, a curious anomaly that it should be the heavy task of a mere private citizen such as the author of this book to elucidate trade tendencies of much importance from the official records. It would seem only right that a State Department costing approximately £320,000 per year, should as a part of its duty make clear to the citizens of this country the real meaning and the necessary guidance which can be obtained only when crude statistics are used as the raw material by which trade tendencies are made to disclose themselves. Moreover, such guidance would come from a State Department with much more effective force than can possibly attach to the effort of a private citizen.

There is one more test that must be applied to our Special Exports of Manufactured Goods. What alteration, if any, has occurred during 1880-1910 in the power of these exports to pay their share of our Special Imports of Merchandise? This is an important question, because Special Exports of Manufactured Goods are our biggest paying-item, upon which we rely largely to pay for our vast imports for consumption in the United Kingdom (Special Imports).

The answer to this question is given in Table 108, column E; and a striking result discloses itself.

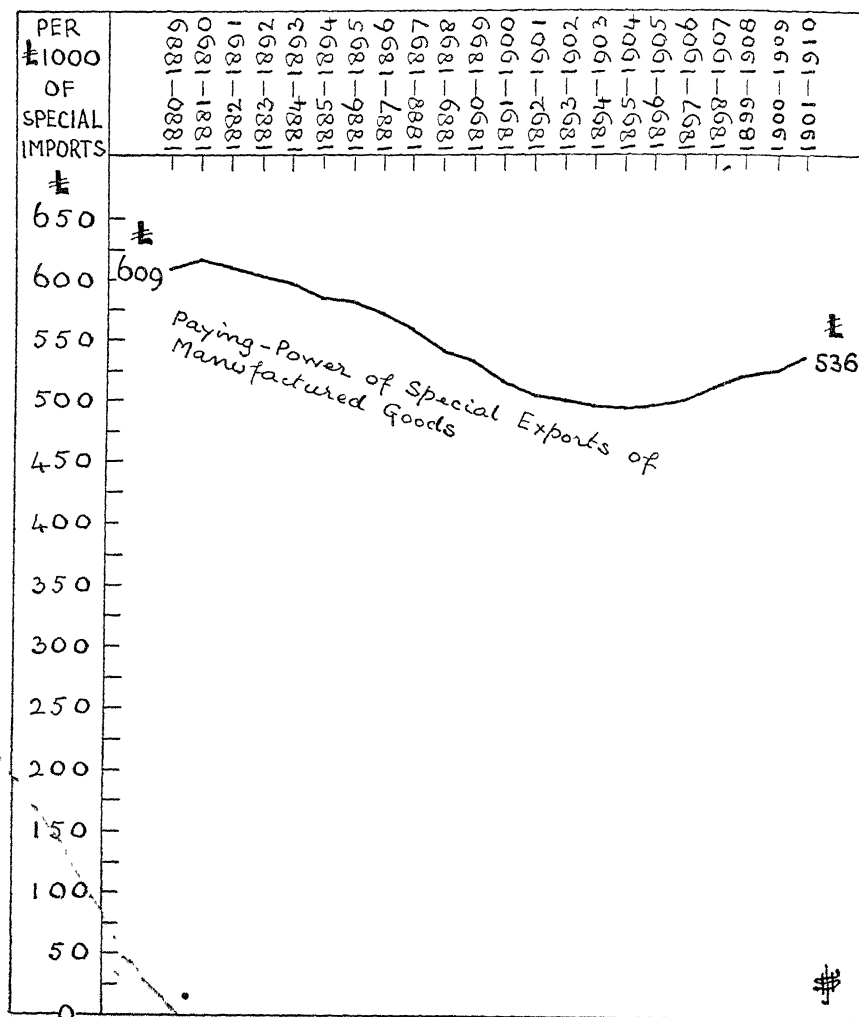
TABLE 108.—UNITED KINGDOM: THE PAYING-POWER TEST OF OUR SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910 *Yearly Averages during each Decade*

Decade.	All Special Imports (Table 41.)	All Special Exports.*			Paying-Power Test. Value of B per £1000 of A.
		Manufactured Goods. (Table 104)	Other Special Exports. Coal, Raw Materials, etc.	Total. (Table 54)	
	A.	B.	C.	D.	E.
	Million £	Million £.	Million £	Million £.	£
1880—1889	331·1	201·6	28·6	230·2	609
1881—1890	332·0	204·5	29·8	234·3	616
1882—1891	335·9	204·9	30·7	235·6	610
1883—1892	337·1	202·9	31·3	234·2	602
1884—1893	335·5	200·4	31·6	232·0	597
1885—1894	337·9	198·1	32·3	230·4	586
1886—1895	342·3	198·7	32·9	231·6	581
1887—1896	351·5	200·7	33·7	234·4	571
1888—1897	360·4	201·0	34·6	235·6	558
1889—1898	369·0	200·1	35·4	235·5	542
1890—1899	374·9	199·5	36·6	236·1	532
1891—1900	385·2	198·9	39·1	238·0	516
1892—1901	393·3	199·2	41·2	240·4	506
1893—1902	403·7	202·0	43·4	245·4	500
1894—1903	416·3	206·4	45·9	252·3	496
1895—1904	429·4	212·2	48·1	260·3	494
1896—1905	442·3	219·3	50·8	270·1	496
1897—1906	456·1	228·4	54·4	282·8	500
1898—1907	472·4	242·0	59·0	301·0	512
1899—1908	482·8	251·2	63·1	314·3	520
1900—1909	494·2	259·4	66·6	326·0	525
1901—1910	505·6	270·8	69·1	339·9	536

* Excluding ships.

During the first decade our special exports of manufactured goods paid for £609 per £1000 of our special imports of all sorts, rising to £616 per £1000 in 1881-1890. A large and continuous fall then set in, as regards the paying-power of our special exports of manufactured goods, which in 1895-1904 had dropped to £494 per £1000. And the partial recovery to £536 at the end of Table 108, column E, caused

DIAGRAM XXXVIII.—SEE TABLE 108. UNITED KINGDOM: SHOWING HOW MUCH, PER £1000 OF OUR SPECIAL IMPORTS OF ALL KINDS, WAS PAID FOR BY OUR SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—During the first decade, Special Exports of Manufactured Goods paid for £609 per £1000 of our Special Imports of all kinds; during the last decade, for £536 per £1000. The increased sales in recent years have largely failed to restore the former paying-power to our exports of Manufactured Goods.

by the recent boom in our special exports of manufactured goods, is, as we see, wholly inadequate to restore to this important part of our export trade its power to pay its share of our imports of all kinds consumed in the United Kingdom. If such a result as this can occur, as it has occurred, despite the recent years of increased trade, what will be the result when the recent boom gives place to slackness in commerce? There is not a shadow of a doubt that our special export trade in manufactured goods, herein tested by many different and broadly based sound methods, has lost much of its former value to us, both economically and commercially.

Although the important matter of the destination of our special exports of manufactured goods does not, as already stated, admit of full investigation owing to lack of officially recorded data, yet some data do exist by means of which it is possible to throw some light upon the destination of these exports.

Some data published in Cd. 4954, page 76, have been made the basis of Tables 109-110, which show the destination of our special exports of manufactured goods to:—

- I. The Principal Protected Foreign Countries.
- II. All Other Destinations, including British Colonies.

Looking at Table 109, at once we see the inferiority of the method of stating facts by isolated years to the method of ascertaining trade tendencies by the use of yearly averages for each successive decade, which is the feature of this book. However, we can gather some information from these isolated facts, as some changes are notably shown in successive years.

Taking first the actual values in Table 109; we are able to see that throughout 1880-1910, our special exports of manufactured goods to the Principal Protected Foreign Countries have been declining or stagnant. They were 81·9 million £ in 1880, and 85·2 million £ on the average of the decade 1901-1910, although this decade includes a run of record years of our foreign commerce. Moreover, between

TABLE 109—UNITED KINGDOM: SPECIAL EXPORTS OF MANUFACTURED GOODS, DISTINGUISHING EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1910

Year	To Principal Protected Foreign Countries (a)	To All Other Destinations, including British Colonies (b)	To All Destinations (c)
	Million £	Million £	Million £
1880	81.9	115.0	196.9
1885	71.2	114.9	186.1
1890	86.6	138.8	225.4
1895	74.7	117.3	192.0
1900	79.9	139.9	219.8
1905	80.1	183.5	263.6
1910	106.1	228.1	334.2
1901—1910	85.2	185.6	270.8
PERCENTAGE PROPORTION OF SPECIAL EXPORTS OF MANUFACTURED GOODS TO ALL DESTINATIONS			
	Per cent.	Per cent.	Per cent.
1880	41.6	58.4	100
1885	38.3	61.7	100
1890	38.5	61.5	100
1895	38.9	61.1	100
1900	36.3	63.7	100
1905	30.4	69.6	100
1910	31.8	68.2	100
1901	31.3	68.7	100
1902	32.1	67.9	100
1903	31.6	68.4	100
1904	30.1	69.9	100
1905	30.4	69.6	100
1906	31.5	68.5	100
1907	32.4	67.6	100
1908	31.3	68.7	100
1909	31.8	68.2	100
1910	31.8	68.2	100
1901—1910 ^e	31.5	68.5	100

Excluding ships.

Note.—This Table is based upon Cd. 4954, page 76; Cd. 5296, pages 96, 97, 179: 43-xi, page 5, for the year 1910. This Board of Trade classification of the Principal Protected Foreign Countries includes Russia, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Austria-Hungary, Switzerland, United States.

The distribution of the recorded total of exports for the two single years 1909 and 1910 has been computed upon the basis of the recorded totals for 1909 and 1910, by means of assuming the percentage proportion of 31.8 for the Protected Group, basing the latter proportion upon the average of preceding years, and this 31.8 is probably too high.

It is not possible to show the facts in decades for all years as in the other tables of this book, as the Board of Trade has not recorded all years in the published returns.

1880 and the decade 1901-1910 there were actual falls in these exports.

Looking at column (*b*) of Table 109, we see progress in our exports of manufactured goods to the group All Other Destinations, including British Colonies. It is this group of buyers from us that has been responsible for the rise seen in column (*c*) of Table 109.

It is not satisfactory that during 1880-1910 our special exports of manufactured goods to the group in column (*a*), namely, Russia, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Austria-Hungary, Switzerland, United States, should have been stagnant or declining. This group has been selected by the Board of Trade as representing the Principal Protected Foreign Countries. And this result disclosed in Table 109 points directly to the conclusion that our present system of foreign commerce renders us quite unable to fight successfully against the high tariffs of foreign nations.

Look at the lower part of Table 109. Here we see the percentage proportion of our exports to each destination. In 1880, £41·6 per £100 of our special exports of manufactured goods went to the group Principal Protected Foreign Countries. During the decade 1901-1910 this percentage had fallen to only £31·5 per £100.

These data, incomplete as they are, certainly show that our power to sell our manufactured goods in foreign countries working by a tariff against our manufactured goods, has been notably diminishing during 1880-1910.

In Table 110 further tests are applied to the data contained in Table 109: the population test, and the paying-power for imports test.

Look at the population test in Table 110. In 1880, we sent to the group of Principal Protected foreign countries £237, per 100 of our population, of our special exports of manufactured goods. During 1901-1910, this amount had fallen to £196, despite all the recent years of booming foreign trade.

When we look at the lower part of Table 110, and examine the paying-power test, we see that in the year 1880 our special exports of manufactured goods that were sold to

TABLE 110—UNITED KINGDOM. SPECIAL EXPORTS OF MANUFACTURED GOODS, DISTINGUISHING EXPORTS TO THE PRINCIPAL PROTECTED FOREIGN COUNTRIES, 1880-1910

POPULATION TEST.

PAYING-POWER FOR IMPORTS TEST.

Year.	Special Exports of Manufactured Goods per 100 of the Population of the United Kingdom.		
	To Principal Protected Foreign Countries	To All Other Destinations, including British Colonies.	To All Destinations.
	£	£	£
1880	237	332	569
1885	198	319	517
1890	231	371	602
1895	190	299	489
1900	194	340	534
1905	185	425	610
1910	233	502	735
1901—1910	196	427	623
PAYING-POWER TEST VALUE OF OUR SPECIAL EXPORTS OF MANUFACTURED GOODS PER £1000 OF OUR SPECIAL IMPORTS OF ALL KINDS FROM ALL SOURCES.			
	£	£	£
1880	235	331	566
1885	228	367	595
1890	243	390	633
1895	209	329	538
1900	174	304	478
1905	164	377	541
1910	185	397	582
1901—1910	169	367	536

* Excluding Ships.

Note.—These results can not be shown in Decades. See Note to Table 109.

the Principal Protected Foreign Countries paid for £235 per £1000 of our special imports of all kinds from all sources. But during the decade 1901-1910 these exports paid for only £169 per £1000 of our special imports.

Whatever be the test we apply to these data, it becomes

obvious that during 1880-1910 our power to sell our manufactured goods in foreign countries that work by a more or less high Tariff upon their imports, has greatly decreased.

This result is not only fully evidenced by the facts in Tables 109 and 110, but also it is fully to be expected. Because by our present trade policy we give to each and all of these foreign countries all they want—we give it for nothing. These countries desire a free, untaxed access to the home market of the United Kingdom. We give it to them, although this access is a valuable business asset if used properly by us. A thing greatly desired by sellers of merchandise, is a thing that sellers of merchandise are willing and able to pay for. Our gift of a free or open market to foreign sellers of merchandise, is an altruistic procedure which costs us dearly in hard cash and in loss of wages and employment for our population. If, on the other hand, we had the business acumen to act upon the teaching of Tables 109 and 110, we should at once reform the existing tariff of the United Kingdom, by which reform our imports of foreign merchandise would be taxed when they enter our ports. By this change, and only by this change, shall we be able to stop this decline in our sales of manufactured goods to the Principal Protected Foreign Countries. The adoption of Tariff Reform would give to us the bargaining power we now lack. This bargaining power—we possessing the commercial asset of a home market greatly desired as a selling-place by foreign sellers of merchandise—would enable us to compel foreign countries less heavily to tax our goods when they enter foreign countries.

Unless we do make this change, we shall certainly see a continuance in future of the unsatisfactory conditions shown in Tables 109 and 110.

The Abstract Table 111 relates to our net exports of manufactured goods,* and the principal result is shown in the last column of Table 111.

* These are Special Exports of Manufactured Goods less General Imports of Manufactured Goods.

Looking at Table 111, and taking first the decades of maximum loss of trade, namely, 1882-1891 as compared with

TABLE 111 —ABSTRACT FROM TABLE 104 —UNITED KINGDOM · NET EXPORTS OF MANUFACTURED GOODS, 1880-1910

Decades Compared	Yearly Averages during each Decade. (Table 104.)	Average Yearly Increase or Decrease during the later of the two compared Decades.	Total Increase or Decrease during the later of the two compared Decades
	Million £	Million £	Million £
1880—1889 and 1890—1899	122·2 } 99·8 }	22·4—A Decrease	224—A Decrease
1881—1890 and 1891—1900	123·8 } 95·4 }	28·4—A Decrease	284—A Decrease
1882—1891 and 1892—1901	122·5 } 91·9 }	30·6—A Decrease	306—A Decrease
1883—1892 and 1893—1902	119·3 } 90·4 }	28·9—A Decrease	289—A Decrease
1884—1893 and 1894—1903	115·7 } 90·1 }	25·6—A Decrease	256—A Decrease
1885—1894 and 1895—1904	112·1 } 91·4 }	20·7—A Decrease	207—A Decrease
1886—1895 and 1896—1905	110·6 } 93·9 }	16·7—A Decrease	167—A Decrease
1887—1896 and 1897—1906	109·7 } 98·0 }	11·7—A Decrease	117—A Decrease
1888—1897 and 1898—1907	106·9 } 107·0 }	0·1—An Increase	1—An Increase
1889—1898 and 1899—1908	103·5 } 113·0 }	9·5—An Increase	95—An Increase
1890—1899 and 1900—1909	99·8 } 118·6 }	18·8—An Increase	188—An Increase
1891—1900 and 1901—1910	95·4 } 127·2 }	31·8—An Increase	318—An Increase

1892-1901, we see that during the latter decade there was a fall of 306 million £ in our net exports of manufactured goods. Taking now the decades of minimum loss of trade, namely,

1887-1896 and 1897-1906, we see that during 1897-1906 there was a fall of 117 million £ in our net exports of manufactured goods. The increase during the recent decades of Table 111 is due to the boom years of foreign commerce. But this increase does in no way adequately make good the large decreases shown during the greater part of Table 111. They are merely increases from a condition of weak trade, they are not increases from a condition of normally progressive trade.

If no results had been disclosed in this chapter with regard to our trade in manufactured goods, other than those in Abstract Table 111, these results alone would suffice to warn any careful student of British commerce that the condition of our trade in manufactured goods has for many years been detrimental to the welfare of this country and of its industrial workers. And when these results are supported by the many other tests herein shown, it is almost inconceivable that any man can shut his eyes upon what is the actual condition of this most important part of our foreign commerce, and be content to delude himself with the casual quotation of mere crude statistics for this or that year of trade.

In this chapter we have studied the full course of trade; we have seen trade movements, trade tendencies, over a long and continuous period. And the knowledge to be gained as to the condition of British commerce by this full method of studying it is incomparably more valid than the scanty information to be got by the methods in common use, which, moreover, do not show the bearing of our foreign commerce upon our internal industrial conditions. Upon this matter, see Chapter I.

We may now compare the United Kingdom, Germany, and the United States, as regards trade in manufactured goods. In Chapter I. there was quoted the opinion of a prominent politician to the effect that, as the United Kingdom exports a much greater volume of manufactured goods than is exported by the United States, therefore the United

TABLE 111A.—THE UNITED KINGDOM, GERMANY, AND THE UNITED STATES: SHOWING IMPORTS OF MANUFACTURED GOODS AND TOTAL IMPORTS, 1880-1910 *Yearly Averages during each Quinquennium.**

Quinquennium.	Imports of Manufactured Goods				Total Imports.		
	United Kingdom (General Imports)	Germany (Special Imports).	United States (General Imports) †		United Kingdom (General Imports)	Germany (Special Imports)	United States (General Imports)
			Manufactured Goods for use in Manufactures	Manufactured Goods ready for Consumption			
	Million £.	Million £.	Million £	Million £	Million £	Million £	Million £
1880—1884	76.6	43.2	...	...	408	154	142
1881—1885	77.0	43.8	..	...	400	156	139
1882—1886	77.6	44.0	..	.	390	155	138
1883—1887	77.8	43.6	..	.	380	155	137
1884—1888	79.4	43.2	...	.	372	155	137
1885—1889	82.2	43.9	...	.	380	163	140
1886—1890	84.6	45.4	.	.	390	175	149
1887—1891	87.2	45.9	.	.	407	187	158
1888—1892	89.6	46.1	...	.	419	196	163
1889—1893	90.0	46.4	.	.	423	203	169
1890—1894	90.0	44.8	.	.	419	202	166
1891—1895	91.6	44.2	.	.	418	202	163
1892—1896	94.8	45.6	.	..	419	203	161
1893—1897	98.6	45.6	.	.	425	210	158
1894—1898	103.2	46.8	.	...	438	221	148
1895—1899	109.4	50.0	...	.	453	237	149
1896—1900	115.4	52.7	...	.	474	253	154
1897—1901	119.8	54.0.	21.6	39.5	490	264	156
1898—1902	124.6	55.3	24.1	39.9	506	274	162
1899—1903	129.4	57.2	28.9	44.3	520	283	179
1900—1904	132.2	58.0	31.8	47.8	533	292	191
1901—1905	135.4	59.2	33.7	49.9	542	305	202
1902—1906	141.0	61.6	37.4	54.1	559	332	219
1903—1907	145.4	64.4	42.8	59.7	583	363	241
1904—1908	146.8	64.8	42.8	62.8	593	379	248
1905—1909	149.2	65.4	45.3	64.7	607	401	261
1906—1910	151.8	70.2	49.7	69.7	630	416	280

* These facts have to be shown for each Quinquennium in place of for each Decade, because the facts for the United States cover a period too short to admit of treatment by Decades.

† The facts cannot be stated before the year 1897.

The German figures have been converted into £ at the rate of 20 marks equal £1 throughout. In recent years, 20.339 marks equal £1. The rate of conversion for the United States is 4.8 dollars equal £1.

Kingdom is as regards its general industrial condition more prosperous than the United States. The fallacy of such an opinion is plainly exposed in Chapter I., where we see ample evidences of the vastly greater expansion of general industries in the United States than in the United Kingdom, both actually and also relatively to population.

But as the above-mentioned fallacy is not uncommon, it may be well here to bear in mind that Chapter I. contains a full exposure of this fallacy, namely, the fallacy that exports of manufactured goods necessarily denote prosperity or non-prosperity of a country's internal trade and industries.

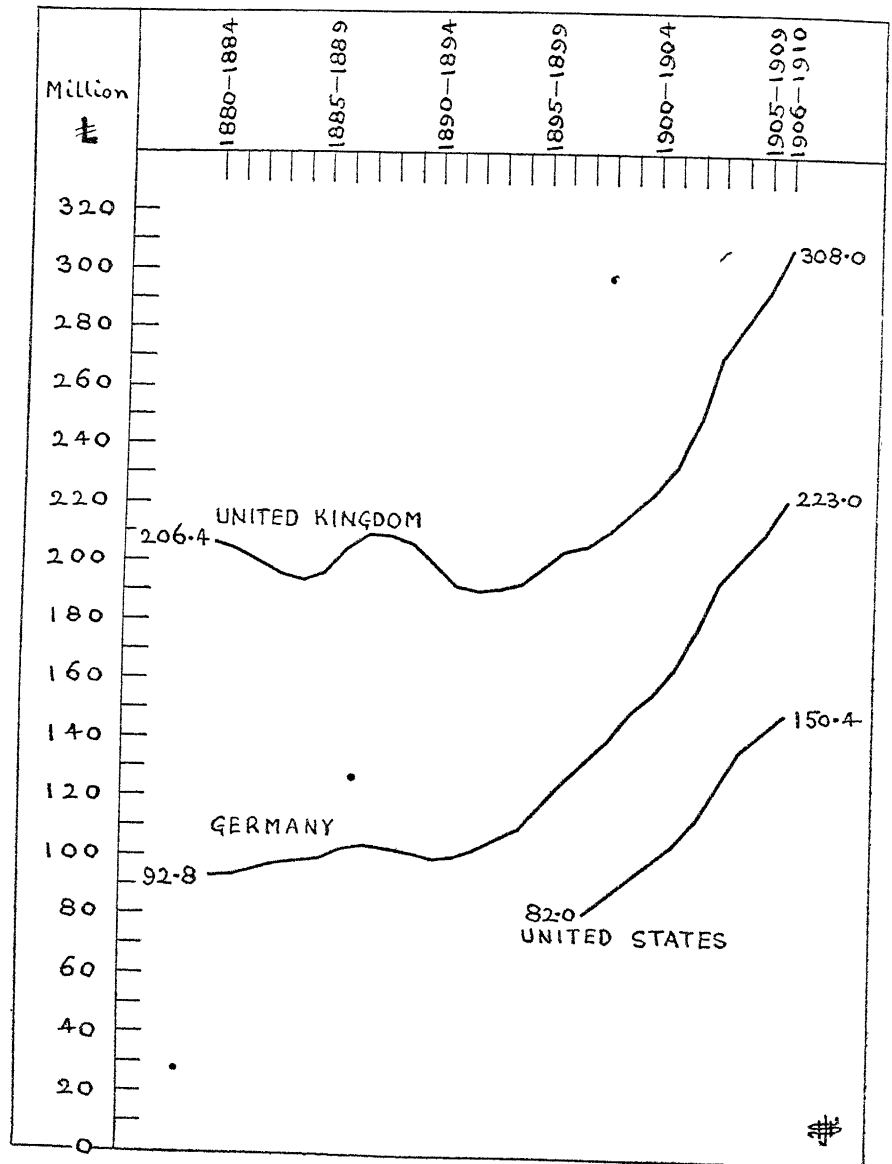
In Table 111A, in the columns headed "Imports of Manufactured Goods," we at once notice the predominance of the United Kingdom. During the last period in the table our imports of manufactured goods were 151·8 million £ yearly, Germany's imports were 70·2 million £ yearly, and the United States' imports of manufactured goods were 119·4 million £ yearly. The latter amount is made up of manufactured goods "for use in manufactures," 49·7 million £; and manufactured goods "ready for consumption," 69·7 million £.

Thus it is clear that the United Kingdom's imports of manufactured goods are of much greater amount than Germany's, and considerably greater than the imports of the United States. The large increase in the latter during a relatively short period should be noted.

In Table 111B we have the results relating to exports of manufactured goods.

During the last period of the table the value of the United Kingdom's exports of manufactured goods was 308 million £ yearly; Germany's result was 223 million £ yearly. The total for the United States was 51·4 plus 99·0 = 150·4 million £ yearly. Here also the United Kingdom has a large lead over Germany and over the United States. Looking at the "Total Exports" columns of 111B, we see that in five of the more recent periods the special exports of the United States exceeded the special exports of the United Kingdom, despite the large

DIAGRAM XXXIX.—SEE TABLE 111B. SPECIAL EXPORTS OF MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Quinquennium.*



Keep the base-line 0 in sight.

Note.—Germany has largely reduced the lead held by the United Kingdom in special exports of Manufactured Goods. The United States' special exports of Manufactured Goods are relatively small, but they are highly progressive. Both Germany and the United States supply their Home Market with Manufactured Goods to a much larger extent than is the case in the United Kingdom, whose Home Market is largely supplied with Imported Manufactured Goods.

lead held by the United Kingdom in the first period, 1880-1884. This is a useful comment by recorded fact upon the economic

TABLE 111B.—THE UNITED KINGDOM, GERMANY, THE UNITED STATES SHOWING EXPORTS OF MANUFACTURED GOODS AND TOTAL EXPORTS, 1880-1910. *Yearly Averages during each Quinquennium.*

Quinquennium.	Exports of Manufactured Goods.				Total Exports.		
	United Kingdom (Special Exports).	Germany (Special Exports)	United States (Special Exports).		United Kingdom (Special Exports)	Germany (Special Exports)	United States (Special Exports)
			Manufactured Goods for use in Manufactures	Manufactured Goods ready for Consumption			
	Million £	Million £	Million £	Million £	Million £	Million £	Million £.
1880—1884	206.4	92.8	.	...	234	155	165
1881—1885	204.2	94.1	.	.	232	155	161
1882—1886	200.0	96.0	.	.	228	155	152
1883—1887	196.2	97.7	...	..	224	155	151
1884—1888	194.6	98.8	..	.	223	154	146
1885—1889	196.8	99.6	...	.	226	154	146
1886—1890	204.8	103.2	..	...	236	158	151
1887—1891	209.8	104.2	...	...	243	160	160
1888—1892	209.6	103.2	..	...	244	158	172
1889—1893	206.2	102.4	...	..	241	157	179
1890—1894	199.4	100.2	..	...	234	155	184
1891—1895	192.6	100.6	.	.	227	155	182
1892—1896	191.6	103.0	...	..	225	158	182
1893—1897	192.2	106.6	...	...	227	165	183
1894—1898	193.8	110.6	...	..	230	172	198
1895—1899	199.6	118.9	..	...	238	184	212
1896—1900	205.2	127.0	...	...	249	197	236
1897—1901	206.8	132.8	25.8	56.2	255†	206	261†
1898—1902	211.8	140.7	27.2	60.7	264†	217	275†
1899—1903	219.0	149.6	28.7	64.9	275†	229	282†
1900—1904	224.8	156.8	31.2	68.6	283†	240	292†
1901—1905	233.6	165.3	33.5	71.6	291†	251	297†
1902—1906	250.2	179.3	36.6	77.4	310	270	307
1903—1907	272.4	194.8	42.0	84.0	338	292	328
1904—1908	283.6	203.8	47.0	90.7	354	306	347
1905—1909	294.0	211.6	49.3	94.4	369	319	355
1906—1910	308.0	223.0	51.4	99.0	389	337	364

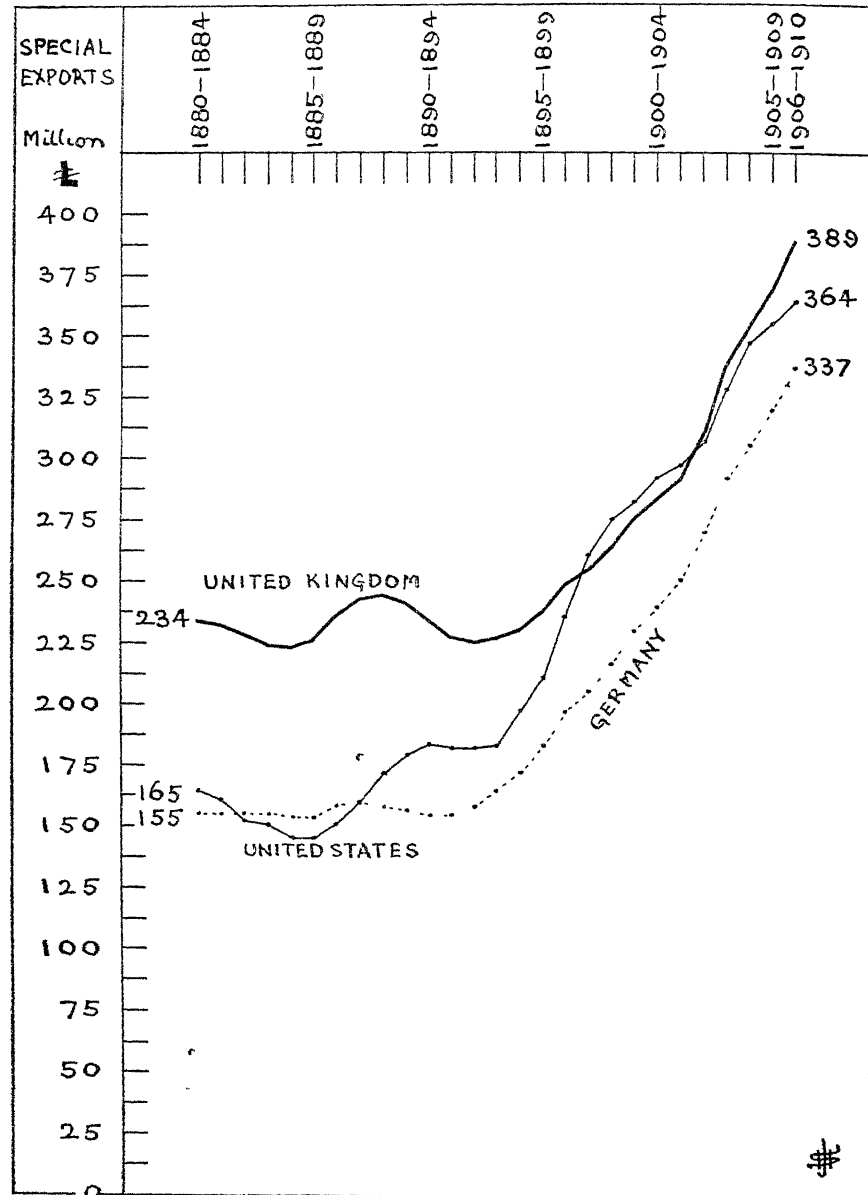
See the Notes to Table 111A.

^ Excluding ships.

† Observe that in each of these periods the Special Exports from the United States exceeded the Special Exports from the United Kingdom. During the first period in the table, 1880-1884, the United Kingdom had a large lead over the United States.

theory that a Protective Tariff attenuates a country's export trade.

DIAGRAM XL.—SEE TABLE 111B. SPECIAL EXPORTS, 1880-1910.
Yearly Averages during each Quinquennium. (THESE ARE SPECIAL
 EXPORTS OF ALL KINDS, NOT ONLY SPECIAL EXPORTS OF MANU-
 FACTURED GOODS)



Keep the base-line 0 in sight.

Note.—During the first period, 1880-1884, the United Kingdom had a large lead in Special Exports over Germany and over the United States. In recent periods the United States have caught up and passed the United Kingdom, while Germany is close up to the United Kingdom.

Table 111c shows the net exports of manufactured goods namely, exports *minus* imports. Some interesting results disclose themselves.

Comparing column A, United Kingdom, with column C, Germany, we see that during the first period of Table 111c our lead over Germany was 80·2 million £ yearly in net exports of manufactured goods; during the last period of Table 111c, columns A and C, our lead over Germany had fallen to 3·4 million £ yearly.

This is a notable result. It shows that Germany has made much more advance in net exports of manufactured goods than the United Kingdom has made. In some of the periods of Table 111c, columns A and C, not only had the United Kingdom no lead over Germany, but Germany had a lead over the United Kingdom. This occurred in 1899-1903, in 1900-1904, in 1901-1905, in 1902-1906, in 1903-1907, in 1904-1908, in 1905-1909. Our large lead over Germany in 1880-1884 has been lost; but by economic theory our lead over Germany should have increased, because it is alleged that a Protective Tariff prevents the expansion of a country's foreign trade.

Also, if we compare column B, United Kingdom, with column C, Germany, we find that our lead over Germany fell from 93·7 million £ yearly during the first period, to 29·1 million £ yearly during the last period of Table 111c.

These striking results are not shown in any Board of Trade Blue Books, but they are well worth attention by students of international commerce.

One of the most notable results in Table 111c is in column D—the small net exports of manufactured goods from the United States. This result is another piece of evidence against the prevalent fallacy of believing that a nation's exports of manufactured goods indicate industrial prosperity or non-prosperity; for in Chapter I. we have the most conclusive proofs of the vast industrial expansion of the United States, and in Table 111c we see plainly that the net exports of

manufactured goods from the United States are relatively trivial when compared with the results for Germany and for

TABLE 111C—THE UNITED KINGDOM, GERMANY, THE UNITED STATES:
SHOWING THE NET EXPORTS OF MANUFACTURED GOODS, 1880-1910.
Yearly Average during each Quinquennium.

Quinquennium.	United Kingdom.		Germany. Net Special Exports.	United States. Net Exports
	Net Exports.	Net Special Exports.		
	A	B.	C.	D.
	Million £.	Million £.	Million £	Million £
1880—1884	129.8	143.3	49.6	
1881—1885	127.2	140.7	50.3	
1882—1886	122.4	136.0	52.0	
1883—1887	118.4	132.1	54.1	
1884—1888	115.2	129.1	55.6	
1885—1889	114.6	129.0	55.7	
1886—1890	120.2	135.0	57.8	
1887—1891	122.6	137.5	58.3	
1888—1892	120.0	135.0	57.1	
1889—1893	116.2	130.9	56.0	
1890—1894	109.4	123.4	55.4	
1891—1895	101.0	114.5	56.4	
1892—1896	96.8	110.1	57.4	
1893—1897	93.6	106.8	61.0	
1894—1898	90.6	104.2	63.8	
1895—1899	90.2	104.8	68.9	
1896—1900	89.8	105.5	74.3	
1897—1901	87.0	103.8	78.8	20.9
1898—1902	87.2	104.8	85.4	23.9
1899—1903	*89.6	108.0	*92.4	20.4
1900—1904	*92.6	111.6	*98.8	20.2
1901—1905	*98.2	117.9	*106.1	21.5
1902—1906	*109.2	130.3	*117.7	22.5
1903—1907	*127.0	150.0	*130.4	23.5
1904—1908	*136.8	160.6	*139.0	32.1
1905—1909	*144.8	169.4	*146.2	33.7
1906—1910	156.2	181.9	152.8	31.0

See the Notes to Table 111A.

Based as regards columns A, C, D on Tables 111A and 111B

UNITED KINGDOM.—Net Exports = Special Exports *minus* General Imports.

Net Special Exports = Special Exports *minus* Special Imports.

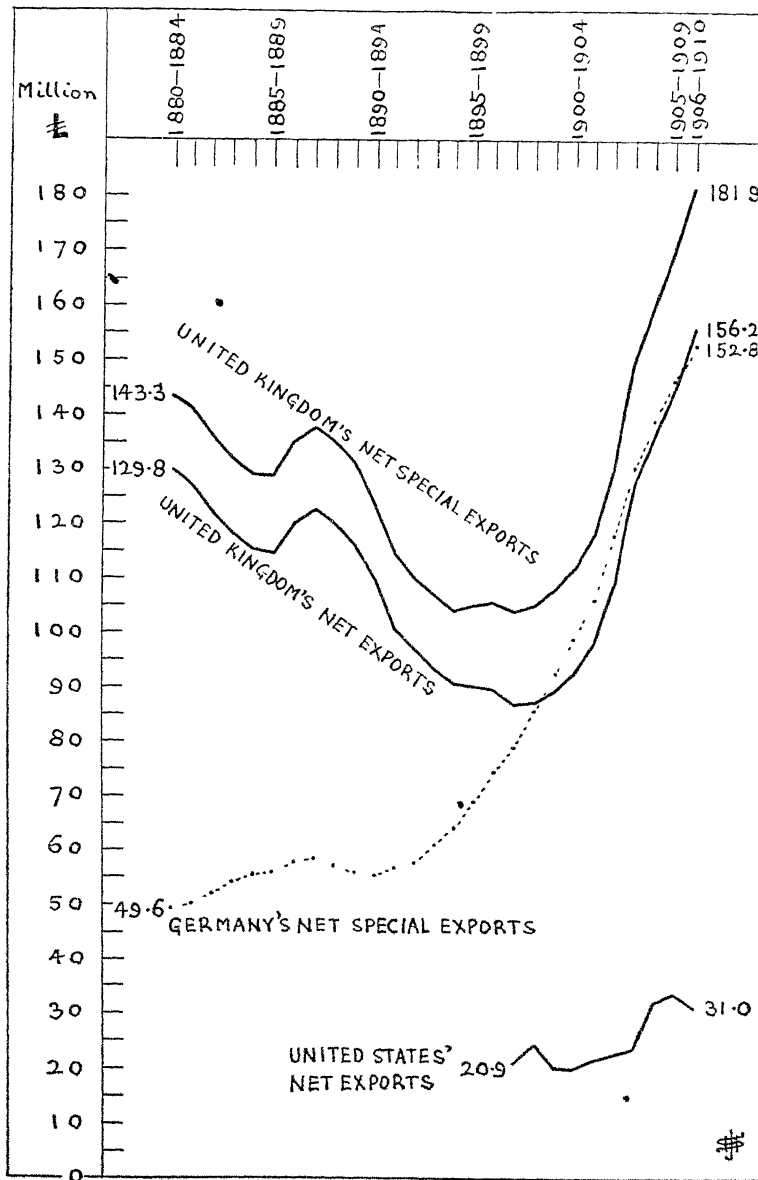
GERMANY.—Net Special Exports = Special Exports *minus* Special Imports.

UNITED STATES.—Net Exports = Special Exports *minus* General Imports.

* Note that in these seven periods Germany had a lead over the United Kingdom, despite the large lead held by the United Kingdom in the first period, 1880-1884.

the United Kingdom. Tables 111A and 111B show a large increase in the United States' imports and exports of

DIAGRAM XLI.—SEE TABLE 111C. NET EXPORTS OF MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Quinquennium*



Keep the base-line 0 in sight.

... Note.—In the first period the United Kingdom had a large lead over Germany, but Germany caught up and passed the United Kingdom. The United Kingdom's Net Special Exports = Net Exports plus Re-Exports. Observe the small Net Exports of Manufactured Goods from the United States. This is a further proof that a country's foreign commerce gives no indication of its internal industrial and productive expansion. See Chapter I.

manufactured goods, but their net exports are small throughout the period that can be observed.

In Table 111D we see the percentage proportion of imports of manufactured goods to total imports. In the United

TABLE 111D.—THE UNITED KINGDOM, GERMANY, THE UNITED STATES:
SHOWING THE PROPORTION OF MANUFACTURED GOODS IMPORTED PER
£100 OF TOTAL IMPORTS, 1880-1910 *Yearly Average during each*
Quinquennium.

Quinquennium	Imports of Manufactured Goods per £100 of Total Imports.			
	United Kingdom (General Imports).	Germany (Special Imports).	United States (General Imports).	
			Manufactured Goods for use in Manufactures.	Manufactured Goods ready for Consumption.
	£	£	£	£
1880—1884	19	28	...	...
1881—1885	19	28	...	...
1882—1886	20	28	...	...
1883—1887	21	28	...	...
1884—1888	21	28	...	...
1885—1889	22	27	...	...
1886—1890	22	26	...	...
1887—1891	21	24	...	...
1888—1892	21	23	...	...
1889—1893	21	23	...	...
1890—1894	21	22	...	...
1891—1895	22	22	...	...
1892—1896	23	22	...	...
1893—1897	23	22	...	...
1894—1898	23	21	...	...
1895—1899	24	21	...	...
1896—1900	24	21	...	...
1897—1901	24	20	...	...
1898—1902	25	20	14	25
1899—1903	25	20	15	25
1900—1904	25	20	16	25
1901—1905	25	19	17	25
1902—1906	25	19	17	25
1903—1907	25	18	17	25
1904—1908	25	17	18	25
1905—1909	25	16	17	25
1906—1910	24	17	18	25

Based upon Table 111A.

Kingdom, this proportion rose from £19 to £24 per £100 of total imports; in Germany, the percentage fell from £28 per

£100 to £17 per £100—a course of trade directly opposite to that for the United Kingdom. In the United States, imported manufactured goods for further “use in manufactures” rose from £14 to £18 per £100 of all imports; and the proportion of imported manufactured goods “ready for consumption” remained constant at £25 per £100. These results for the United States are a useful illustration of the working of a tariff so constructed as to aid the revenue and the home industries of a country. They show, for instance, that a Protective Tariff does not hinder the importation of manufactured goods required for “use in manufactures” in the importing country. The contrary assertion has been made, without investigation of fact, one of the principal bases for objecting to a reform of our tariff.

In Table 111E we have similar results relating to the percentage proportion of exports of manufactured goods to total exports.

In the United Kingdom, the proportion fell from £88 to £79 per £100 of total exports.

In Germany, the proportion rose from £60 to £66 per £100 of total exports—a course of trade directly opposite to that for the United Kingdom.

In the United States, exported manufactured goods “for use in manufactures” rose from £10 to £14 of total exports, and exported manufactured goods “ready for consumption” rose from £22 to £27 per £100 of total exports from the United States. All exports of manufactured goods from the United States rose from £32 per £100 of total exports, to £41 per £100; and this result occurred within a relatively short period.

The results in Tables 111A to 111E are further evidence of the imprudence of accepting untested economic theory as a guide. The only valid guide in economic action, in economic policy, is the investigation of fact. It is singular that political economy remains to this day the only one of all kinds of human intelligences directed towards the gaining of

knowledge that remains content with the mere brain-spinning of theories, and which disdains the investigation of fact.

TABLE 111E.—THE UNITED KINGDOM, GERMANY, THE UNITED STATES:
SHOWING THE PROPORTION OF MANUFACTURED GOODS EXPORTED PER
£100 OF TOTAL EXPORTS, 1880-1910 *Yearly Average during each*
Quinquennium.

Quinquennium.	Exports of Manufactured Goods per £100 of Total Exports.			
	United Kingdom ^a (Special Exports).	Germany (Special Exports).	United States (Special Exports).	
			Manufactured Goods for use in Manufactures.	Manufactured Goods ready for Consumption.
	£	£	£	£
1880—1884	88	60		
1881—1885	88	61		
1882—1886	88	62		
1883—1887	88	63		
1884—1888	87	64		
1885—1889	87	65		
1886—1890	87	65		
1887—1891	86	65		
1888—1892	86	65		
1889—1893	85	65		
1890—1894	85	65		
1891—1895	85	65		
1892—1896	85	65		
1893—1897	85	65		
1894—1898	84	64		
1895—1899	84	65		
1896—1900	82	64		
1897—1901	81	64	10	22
1898—1902	80	65	10	22
1899—1903	80	65	10	23
1900—1904	80	65	11	24
1901—1905	80	66	11	24
1902—1906	80	66	12	25
1903—1907	80	67	13	26
1904—1908	80	67	14	26
1905—1909	80	66	14	27
1906—1910	79	66	14	27

^a Excluding ships.

Based upon Table 111B.

Orthodox political economy is in fact pre-Baconian in its methods, and it may fitly be ranked with Chinese astronomy, which also achieves its dicta by the brain-spinning of theories without the investigation of fact.

CHAPTER VII

OUR TRADE WITH FOREIGN COUNTRIES *

WE have seen some general features of the course of our trade with all foreign countries as distinguished from our trade with British colonies and possessions, and we will now examine the course of our trade with some individual foreign countries.

The order in which we may usefully rank the foreign countries now to be dealt with, is the order in which they stand as buyers of our special exports.

During the period now under observation, the five biggest foreign buyers of our special exports have been :—

	Million £. ^a
1 United States (our biggest foreign customer)	749
2. Germany	660
3. France	486
4. Holland	279
5. Belgium	257
	<u>2431</u>

* These are Special Exports (excluding ships) from the United Kingdom to each of the five countries during the whole period 1880-1909.

Our special export trade to these five foreign countries during the period 1880-1909 has been nearly equal to our special export trade with all other foreign countries combined. The totals are :—

SPECIAL EXPORTS, EXCLUDING SHIPS, 1880-1909.		Million £.
To the Five Biggest Foreign Buyers		2431
To all smaller Foreign Buyers		2750
To all Foreign Countries		<u>5181</u> †

† See Appendix D, Table 254.

* Based upon the 57th Statistical Abstract for the United Kingdom, and earlier volumes; upon the current volume of the Annual Statement of the Trade of the United Kingdom, and earlier volumes.

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Thus it is important to examine our trade with these Five Biggest Foreign Buyers of our goods.

Some of our trade with Holland and Belgium is in reality trade with Germany, owing to goods passing through Dutch and Belgian ports. For this reason, our trade with Germany, Holland, Belgium, will be dealt with as one whole. Our records of imports show the country whence the goods were directly imported, not necessarily the country of origin. As a rule, however, the country of shipment is also the country of origin. Our exports are credited to the country of ultimate destination, with the exception that exports to countries that have no seaboard are credited to the country in which the port of discharge is situated. Our trade with these Five Big Buyers of our goods is now shown relatively to our population.

Look at Table 112. Here we see the results of applying the growth of our population to our imports and exports from and to the United States.

The growth of our general imports has for many years largely exceeded the growth of our population. During the last decade our general imports were £295 per 100 of population, and during 1880-1889 they were £254 per 100 of our population.

Our special exports, including coal, were £78 per 100 of population during 1880-1889, and only £55 during 1900-1909; and this despite all the recent years of "record" trade.

But our re-exports to the United States more than kept pace with the growth of our population. These were £27 per 100 of population during 1880-1889, and £51 during the last decade of Table 112.

These prominent features of the course of our trade with the United States ought to make any prudent man chary to assert that our foreign commerce is in a sound condition; for the results, soundly based and widely surveyed, do not accord with a healthy condition of trade with the United States—our biggest foreign customer. And the results now shown have

LARGE FALL IN OUR EXPORTS TO U.S. 239

occurred despite the recent years of alleged most prosperous trade.

TABLE 112.—UNITED KINGDOM: TRADE WITH THE UNITED STATES,
1880-1909 *Yearly Averages during each Decade.*

POPULATION TEST.

Decade.	Per 100 of our Population			
	General Imports from United States.	Special Exports to United States.		Re-Exports to United States.
		Including Coal.†	Other than Coal.†	
	£	£	£	£
1880—1889	254	78	78	27
1881—1890	249	78	78	29
1882—1891	247	77	76	30
1883—1892	251	75	75	32
1884—1893	247	73	73	32
1885—1894	246	71	71	33
1886—1895	243	72	72	34
1887—1896	248	70	70	34
1888—1897	253	67	67	36
1889—1898	263	63	62	36
1890—1899	267	59	59	36
1891—1900	275	55	55	37
1892—1901	282	53	52	38
1893—1902	284	51	51	39
1894—1903	288	50	50	40
1895—1904	293	50	50	41
1896—1905	297	49	48	43
1897—1906	300	50	50	46
1898—1907	302	52	52	48
1899—1908	299	53	53	49
1900—1909	295	55	55	51

* Excluding ships.

† The distinction of coal is made here for the sake of uniformity with later tables referring to other foreign countries; but our exports of coal to the United States being trivial, these two columns are nearly identical.

Coming now to our trade with Germany, Holland, Belgium.

The results of the population test are shown in Table 113.

Our general imports largely exceeded the growth of our population. These were £181 per 100 of population during 1880-1889, and £228 during 1900-1909.

Our special exports, including coal, have of late years

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exceeded the growth of population, although, as Table 113 shows, the increase since 1880-1889 has been much smaller

TABLE 113.—UNITED KINGDOM: TRADE WITH GERMANY, HOLLAND, BELGIUM, 1880-1909. *Yearly Averages during each Decade*

POPULATION TEST.

Decade.	Per 100 of our Population.			
	General Imports from Germany, etc.	Special Exports [†] to Germany, etc.		Re-Exports to Germany, etc.
		Including Coal.	Other than Coal.	
	£	£	£	£
1880—1889	181	94	90	69
1881—1890	181	94	91	68
1882—1891	184	94	90	67
1883—1892	184	93	88	66
1884—1893	183	91	87	65
1885—1894	183	90	85	63
1886—1895	184	90	84	62
1887—1896	187	91	85	61
1888—1897	188	92	86	59
1889—1898	189	93	88	57
1890—1899	190	95	88	56
1891—1900	193	96	89	54
1892—1901	195	96	89	53
1893—1902	200	96	89	51
1894—1903	204	97	89	50
1895—1904	208	98	90	49
1896—1905	212	101	92	49
1897—1906	217	104	94	50
1898—1907	221	109	98	51
1899—1908	224	112	100	51
1900—1909	228	114	101	51

[†] Excluding ships.

than the corresponding increase in our imports. Our special exports other than coal have fallen during a large part of the period observed, with a rise in the later decades. They were £90 per 100 of population during 1880-1889, and £101 during 1900-1909.

Re-exports have fallen largely, relatively to our population. The preceding results relate to our trade with Germany,

Holland, Belgium—our second, fourth, and fifth biggest customers.

We come now to our trade with France.

The population test in Table 114 discloses some clearly marked features of our trade with France, extending over the long period now observed.

TABLE 114.—UNITED KINGDOM: TRADE WITH FRANCE, 1880-1909.
Yearly Averages during each Decade.

POPULATION TEST.

Decade.	Per 100 of our Population.			
	General Imports from France.	Special Exports* to France.		Re-Exports to France.
		Including Coal.	Other than Coal.	
1880—1889	£ 109	£ 43	£ 39	£ 27
1881—1890	109	43	38	26
1882—1891	109	43	38	24
1883—1892	110	43	36	22
1884—1893	110	40	35	21
1885—1894	111	39	33	20
1886—1895	113	38	33	19
1887—1896	116	38	32	19
1888—1897	119	38	32	18
1889—1898	121	37	31	18
1890—1899	122	37	30	17
1891—1900	123	37	30	17
1892—1901	123	37	29	16
1893—1902	124	37	29	16
1894—1903	124	37	28	16
1895—1904	125	37	28	16
1896—1905	125	37	28	16
1897—1906	125	38	29	16
1898—1907	123	40	30	17
1899—1908	121	42	31	18
1900—1909	119	43	32	18

* Excluding ships.

The growth of our general imports from France has largely exceeded the growth of our population.

* Our special exports, including coal, have failed to keep pace with the growth of our population during nearly all of

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the period observed. Recent boom years have enabled us in the last decade to get back to the level of the decade 1880-1889; and the fall is still more marked when we look at our special exports other than coal. During 1880-1889 these were £39 per 100 of population, and during 1900-1909 only £32.

There was a large fall in our re-exports, relatively to our population.

Having seen the results of our trade with each of our biggest foreign customers, we will now look at this important part of our trade as one whole. We will observe the course of our trade with our Five Biggest Foreign Customers—United States, Germany, France, Holland, Belgium.

Table 115 shows a large and constant rise in our general imports.

TABLE 115.—UNITED KINGDOM: IMPORTS FROM OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from our Five Biggest Foreign Customers.	
	General Imports.	Bullion and Specie.
	Million £	Million £
1880—1889	195.0	9.7
1881—1890	195.1	11.1
1882—1891	197.0	11.9
1883—1892	200.0	11.6
1884—1893	200.0	12.4
1885—1894	201.7	12.5
1886—1895	203.9	14.1
1887—1896	209.2	15.1
1888—1897	214.9	16.1
1889—1898	221.8	17.4
1890—1899	226.3	17.9
1891—1900	232.9	18.5
1892—1901	239.0	18.2
1893—1902	244.0	18.1
1894—1903	250.1	17.5
1895—1904	256.3	17.3
1896—1905	262.4	16.2
1897—1906	268.0	16.7
1898—1907	272.8	17.9
1899—1908	274.5	16.9
1900—1909	276.4	17.1

A large
and
continuous
Rise

A large
Rise,
followed
by a
small Fall

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During 1900-1909, as compared with 1880-1889, these general imports increased by 81·4 millions yearly, or by 814 millions during the decade: in other words, our general imports from these five foreign countries were 1950 millions during 1880-1889, and 2764 millions during 1900-1909!

Imports of bullion and specie rose considerably; during 1900-1909 as compared with 1880-1889, the increase was 7·4 millions yearly, or 74 millions during the decade.

Turning to our Exports, Table 116. Special exports other than coal to these five foreign countries decreased throughout

TABLE 116.—UNITED KINGDOM: EXPORTS TO OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade.*

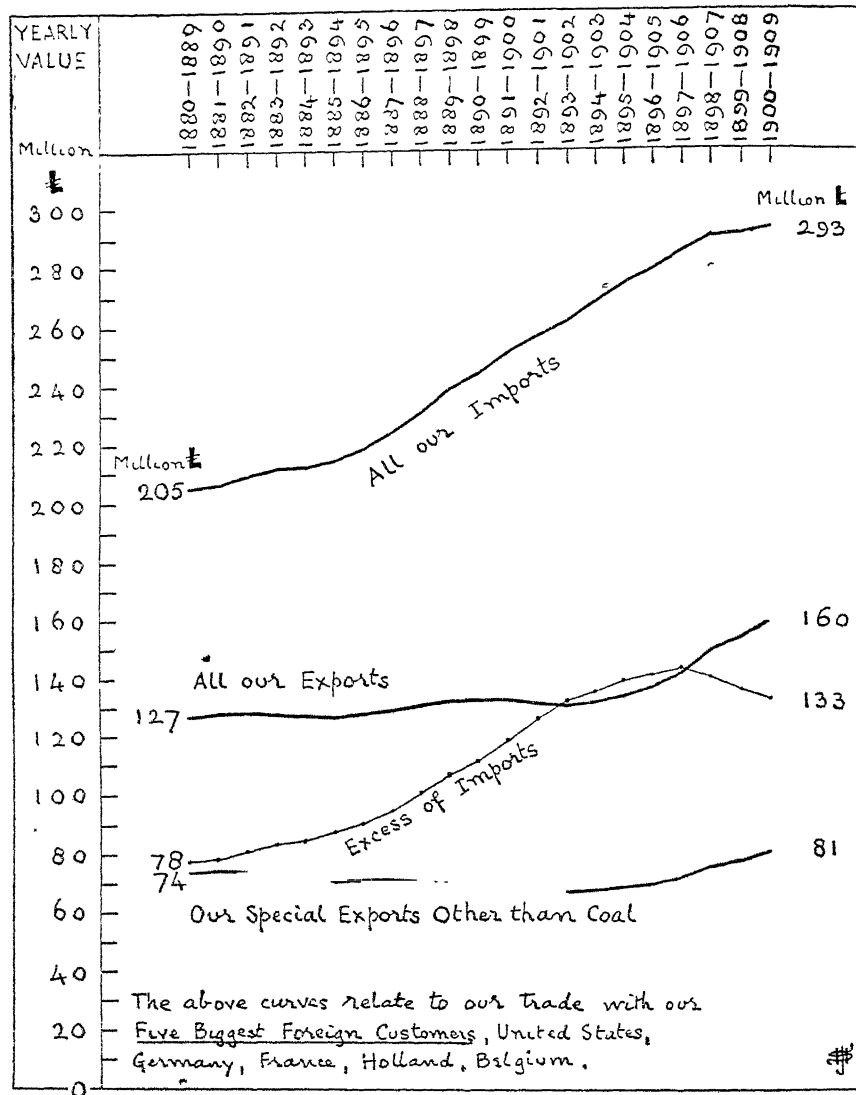
Decade.	Special Exports.*		Re-Exports.	Exports of Bullion and Specie.
	Other than Coal.	Coal.		
	Million £.	Million £	Million £	Million £.
1880—1889	74·3	3·1	44·3	5·3
1881—1890	74·8	3·4	44·3	5·2
1882—1891	74·4	3·7	44·3	5·7
1883—1892	73·1	3·9	44·3	6·3
1884—1893	72·1	4·0	43·7	7·6
1885—1894	70·5	4·2	43·3	8·5
1886—1895	71·2	4·3	43·5	8·7
1887—1896	71·3	4·4	43·4	10·4
1888—1897	70·9	4·7	43·4	11·7
1889—1898	70·1	4·9	42·8	14·7
1890—1899	69·4	5·2	42·7	15·3
1891—1900	68·6	6·0	42·2	15·9
1892—1901	67·8	6·3	42·6	14·8
1893—1902	67·6	6·8	42·4	14·0
1894—1903	68·0	7·1	43·0	14·1
1895—1904	68·9	7·3	43·6	14·4
1896—1905	69·8	7·7	44·6	15·2
1897—1906	72·3	8·3	46·6	15·1
1898—1907	75·9	9·3	48·9	16·3
1899—1908	78·1	10·0	50·0	16·5
1900—1909	80·9	10·2	52·0	17·3

* Excluding ships. During 1899-1909 exports of ships to our Five Biggest Foreign Customers averaged 1·89 million £ yearly (£1,890,000).

nearly all of the period. There was a small rise at the end. During 1900-1909, as compared with 1880-1889, the increase

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DIAGRAM XLII.—SEE TABLES 116 AND 117 UNITED KINGDOM. TRADE WITH OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

"All our Imports" include General Imports and Bullion and Specie.

"All our Exports" exclude ships, not recorded until 1899; they include Special Exports, Re-Exports, Bullion and Specie.

Example.—During 1880-1889 the Excess of Imports was 78 million £ yearly, and during 1900-1909 the Excess was 133 million £ yearly. Observe that the Excess of Imports has increased so greatly that in several decades it caught up and passed the value of "All our Exports." Note the Fall and the prolonged stagnation in Special Exports other than Coal to our Five Biggest Foreign Customers. The rise at the end is trivial.

was 6·6 millions yearly, or 66 millions during the decade ; and there was a prolonged intervening fall.

Exports of coal increased continuously. During 1900-1909, as compared with 1880-1889, the increase was 7·1 millions yearly, or 71 millions during the decade. Compare this with the result just stated for our special exports other than coal.

Re-exports, Table 116, fell nearly continuously and then recovered : the rise was 77 millions during the whole decade 1900-1909.* This is a rise in our exports of goods previously imported. Compare this rise with the above-stated rise of 66 millions in our special exports other than coal.

There was a large rise in our exports of bullion and specie to these five foreign countries. During 1900-1909, as compared with 1880-1889, the rise was 12 millions per year, or 120 millions during the decade.

Table 117 shows the course of trade with these five foreign countries, as regards All our Imports and All our Exports.

The rise in imports was large and continuous. The increase in imports during 1900-1909, as compared with 1880-1889, was 88·8 millions yearly, or 888 millions during the decade.

There was a rise in All Exports,* Table 117. The increase during 1900-1909, as compared with 1880-1889, was 33·4 millions yearly, or 334 millions during the decade. Compare this with the rise of 888 millions in imports just stated.

This increase of 334 millions in All Exports during 1900-1909, as compared with 1880-1889, was made up of :—

Exports of Bullion and Specie, an increase of	120 millions.
Re-Exports, an increase of	77 „
Exports of Coal, an increase of	71 „
Special Exports other than Coal, an increase of	66 „
Total increase	<u>334</u> „

giving the total increase of 334 millions just stated for All Exports to our five biggest foreign customers. We see that the rise of 66 millions in our special exports of merchandise

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other than coal is converted into a rise of 334 millions in All Exports, owing to an increase of 268 millions in our exports of gold and silver and coal, plus re-exports. Could we have a more conclusive piece of evidence of the necessity to analyse our trade?

TABLE 117.—UNITED KINGDOM: TRADE WITH OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade*

Decade.	All our Imports. <i>Total of Table 115.</i> A.	All our Exports.* <i>Total of Table 116.</i> B.	Excess of Imports over Exports. (A - B.)
	Million £	Million £	Million £
1880—1889	204·7	127·0	77·7
1881—1890	206·2	127·7	78·5
1882—1891	208·9	128·1	80·8
1883—1892	211·6	127·6	84·0
1884—1893	212·4	127·4	85·0
1885—1894	214·2	126·5	87·7
1886—1895	218·0	127·7	90·3
1887—1896	224·3	129·5	94·8
1888—1897	231·0	130·7	100·3
1889—1898	239·2	132·5	106·7
1890—1899	244·2	132·6	111·6
1891—1900	251·4	132·7	118·7
1892—1901	257·2	131·5	125·7
1893—1902	262·1	130·8	131·3
1894—1903	267·6	132·2	135·4
1895—1904	273·6	134·2	139·4
1896—1905	278·6	137·3	141·3
1897—1906	284·7	142·3	142·4
1898—1907	290·7	150·4	140·3
1899—1908	291·4	154·6	136·8
1900—1909	293·5	160·4	133·1

* Excluding ships.

The excess of imports in Table 117 has largely increased. The increase during 1900-1909, as compared with 1880-1889, was 55·4 millions yearly, or 554 millions during the decade. And during 1900-1909 our excess of imports from these five foreign countries was 133·1 yearly, or 1331 millions during the decade. It is certain that our invisible exports to these five foreign countries did not amount to 1331 millions during the last decade, nor to anything like 1331 millions. In

Chapter V., Table 101, our Total Invisible Exports to all countries, generously measured, are shown to have amounted to not more than 115 million £ yearly during 1900-1909, or to 1150 million £ during the whole decade. It is in a high degree imprudent to set against such results as are here disclosed, the maxim, "The excess of our imports is the measure of our prosperity." The reasons why this belief in a maxim of theoretical political economy is imprudent have been set out in the chapter on "Our Excess of Imports," and these reasons are amply substantiated by the salient results disclosed in this chapter. By the light of the facts here being shown it is equally foolish to accept as a truth the economic theory that our system of free imports enables us successfully to fight the high tariffs of foreign nations.

The population test is shown in Table 118. Our general imports from these five foreign countries have for many years greatly exceeded the growth of our population. These were £543 per 100 of population during 1880-1889, and £642 during 1900-1909.

Our special exports, including coal, largely failed to keep pace with the growth of our population throughout the greater part of the period, despite the rise at the end. These were £216 per 100 of population during 1880-1889, and £212 during 1900-1909, with a large intervening fall.

Our special exports other than coal fell still more heavily; from £207 per 100 of population during 1880-1889 to £188 during the last decade of Table 118, with a much larger intervening fall.

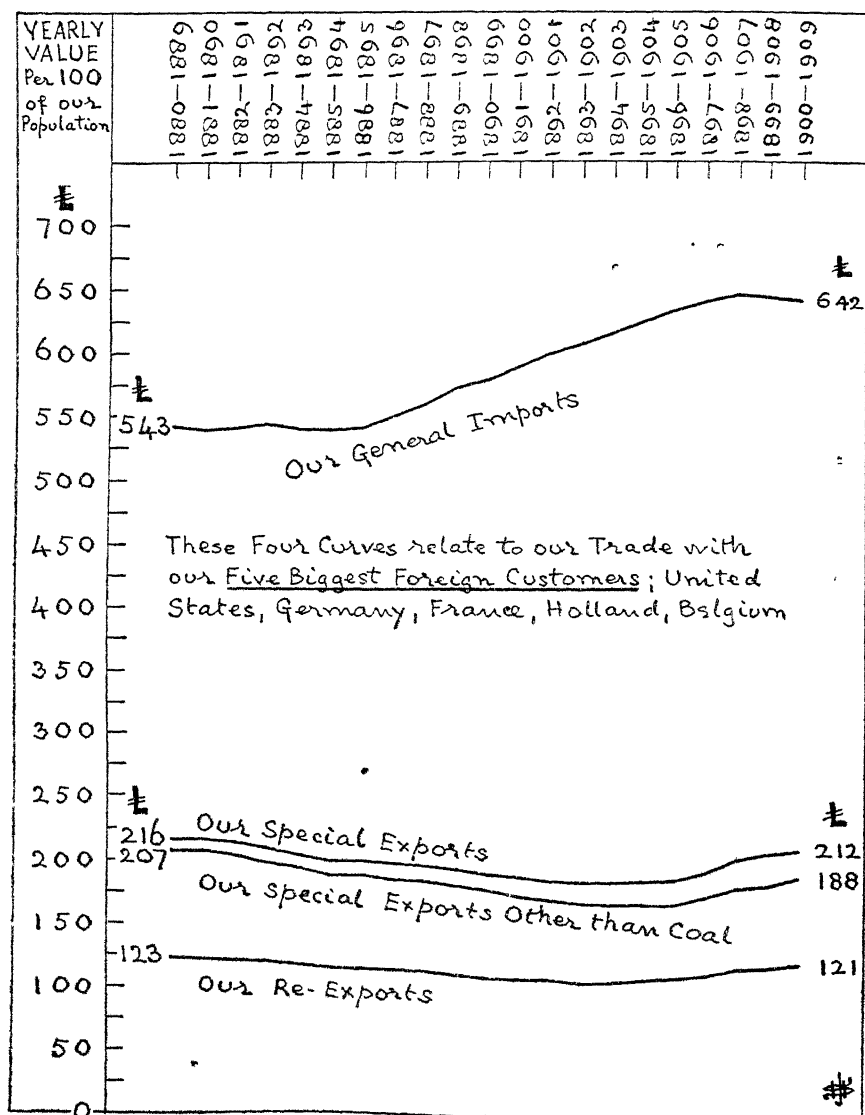
And our re-exports also fell largely.

With these results before us relating to the full course of our trade with our five biggest foreign customers, and which have not hitherto been known to us, how can we believe that our foreign commerce is in a sound condition?

We come now to our trade with all our smaller foreign customers, namely, countries other than United States, Germany, France, Holland, Belgium. These smaller buyers

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DIAGRAM XLIII.—SEE TABLE 118. UNITED KINGDOM. TRADE WITH OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909, per 100 of our Population. Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Special Exports exclude ships, not recorded until 1899.

Example.—During 1880-1889 our Special Exports to our Five Biggest Foreign Customers were £216 yearly per 100 of our population, and during 1900-1909, £212 yearly. If Coal be excluded, the Fall was from £207 to £188 per 100 of our population.

But these five foreign countries have been supplying us with merchandise, General Imports, that has greatly exceeded the growth of our population. The rise was from £543 to £642 yearly per 100 of our population.

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will be dealt with in one group. The more important of them, ranked as buyers of our special exports, are Russia, Italy, Brazil, Argentine Republic, Turkey.

TABLE 118.—UNITED KINGDOM: TRADE WITH OUR FIVE BIGGEST FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade.*

POPULATION TEST.

Decade.	Per 100 of our Population.			
	General Imports. <i>Table 115.</i>	Special Exports. <i>Table 116.</i>		Re-Exports. <i>Table 116.</i>
		Including Coal.	Other than Coal.	
	£	£	£	£
1880—1889	543	216	207	123
1881—1890	539	216	207	122
1882—1891	540	214	204	121
1883—1892	544	210	199	120
1884—1893	540	205	195	118
1885—1894	540	200	189	116
1886—1895	541	200	189	115
1887—1896	550	199	187	114
1888—1897	560	197	185	113
1889—1898	573	194	181	111
1890—1899	579	191	177	109
1891—1900	590	189	174	107
1892—1901	600	186	170	107
1893—1902	607	185	168	105
1894—1903	616	185	167	106
1895—1904	625	186	168	107
1896—1905	634	187	168	108
1897—1906	641	193	173	112
1898—1907	646	202	180	116
1899—1908	644	207	183	117
1900—1909	642	212	188	121

-- Excluding ships.

Our general imports, Table 119, have for many years risen largely and steadily. During 1880-1889 these imports were 1074 millions, and during 1900-1909 they were 1680 millions: an increase of 606 millions during the last decade of Table 119—60·6 millions per year increase.

Our imports of bullion and specie have fallen: from 63

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millions during 1880-1889 to 29 millions during 1900-1909—a fall of 34 millions, or 3·4 million £ per year.

TABLE 119.—UNITED KINGDOM · IMPORTS FROM ALL SMALLER FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Smaller Foreign Customers.	
	General Imports	Bullion and Specie.
	Million £	Million £
1880—1889	107·4	6·3
1881—1890	107·9	6·6
1882—1891	109·0	7·5
1883—1892	107·3	7·9
1884—1893	105·7	8·1
1885—1894	106·0	8·2
1886—1895	107·3	7·9
1887—1896	110·1	7·5
1888—1897	112·2	7·2
1889—1898	112·3	7·5
1890—1899	112·6	7·3
1891—1900	114·8	6·6
1892—1901	116·8	5·5
1893—1902	121·4	5·0
1894—1903	126·8	4·4
1895—1904	132·3	4·0
1896—1905	137·8	3·9
1897—1906	144·0	3·5
1898—1907	152·3	3·4
1899—1908	159·9	2·8
1900—1909	168·0	2·9

Note.—Comparison of the above results with those in Table 115 will show that the above group of Foreign Countries is of less importance than the group of our Five Biggest Foreign Customers in Table 115.

Our special exports other than coal, Table 120, rose nearly continuously. The increase was from 669 millions during 1880-1889 to 998 millions during 1900-1909—a rise of 329 millions, 32·9 million £ yearly.

Our exports of coal to all these smaller foreign customers rose largely. During 1880-1889 these exports were 59 millions, and they were 208 millions during 1900-1909—a rise of 149 millions, 14·9 million £ per year.

Re-exports, Table 120, remained nearly constant for a long while, and rose during the later decades. The rise during

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1900-1909, as compared with 1880-1889, was 4·2 millions yearly, or 42 millions during the decade.

There was a large rise in exports of bullion and specie to this group of all our smaller foreign customers: from 77 millions during 1880-1889 to 148 millions during 1900-1909—an increase of 71 millions, or 7·1 million £ per year.

TABLE 120. — UNITED KINGDOM: EXPORTS TO ALL SMALLER FOREIGN CUSTOMERS, 1880-1909 *Yearly Averages during each Decade*

Decade.	Special Exports.		Re-Exports.	Exports of Bullion and Specie.
	Other than Coal.	Coal.		
	Million £	Million £	Million £	Million £
1880—1889	66·9	5·9	11·0	7·7
1881—1890	68·3	6·5	11·1	7·7
1882—1891	68·4	7·2	11·0	8·5
1883—1892	68·7	7·6	11·0	8·4
1884—1893	68·3	7·8	11·0	8·1
1885—1894	68·3	8·4	11·0	7·9
1886—1895	69·2	8·7	11·1	8·1
1887—1896	70·4	9·2	11·2	8·6
1888—1897	70·9	9·5	11·3	10·2
1889—1898	70·9	10·1	11·7	10·1
1890—1899	71·0	10·6	11·7	10·6
1891—1900	71·2	11·7	12·0	10·5
1892—1901	71·4	12·5	12·1	10·0
1893—1902	72·3	13·0	12·2	10·3
1894—1903	73·7	14·0	12·5	11·1
1895—1904	76·1	14·7	12·8	12·2
1896—1905	79·8	15·4	13·4	12·7
1897—1906	84·7	16·4	13·9	13·2
1898—1907	91·3	17·9	14·4	12·8
1899—1908	96·0	19·6	14·9	13·2
1900—1909	99·8	20·8	15·2	14·8

Excluding ships. During 1899-1909 exports of ships to All Smaller Foreign Customers averaged 4·47 million £ yearly.

Before leaving Table 120, it is instructive to compare it with Table 116, in regard to our exports other than coal, for a well-defined feature of our trade is thereby disclosed.

Table 116 relates to our five biggest foreign customers, and Table 120 to all our smaller foreign customers. During the earlier decades we see that our exports other than coal to our five biggest foreign customers considerably exceeded these

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exports to all our smaller foreign customers. But during the period observed an entire change has occurred, and we see in Tables 116 and 120 that during the later decades, beginning with 1889-1898, our exports other than coal to all our smaller foreign customers have caught up and passed our exports other than coal to our five biggest foreign customers, our imports from whom have so immensely increased. This is an important feature of our export trade that should not escape notice. See also Table 123.

Table 121 shows All our Imports and All our Exports

TABLE 121.—UNITED KINGDOM: TRADE WITH ALL SMALLER FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	All our Imports. <i>Total of Table 119.</i> A.	All our Exports. <i>Total of Table 120.</i> B.	Excess of Imports over Exports. (A - B.)
	Million £.	Million £.	Million £.
1880—1889	113·7	91·5	22·2
1881—1890	114·5	93·6	20·9
1882—1891	116·5	95·1	21·4
1883—1892	115·2	95·7	19·5
1884—1893	113·8	95·2	18·6
1885—1894	114·2	95·6	18·6
1886—1895	115·2	97·1	18·1
1887—1896	117·6	99·4	18·2
1888—1897	119·4	101·9	17·5
1889—1898	119·8	102·8	17·0
1890—1899	119·9	103·9	16·0
1891—1900	121·4	105·4	16·0
1892—1901	122·3	106·0	16·3
1893—1902	126·4	107·8	18·6
1894—1903	131·2	111·3	19·9
1895—1904	136·3	115·8	20·5
1896—1905	141·7	121·3	20·4
1897—1906	147·5	128·2	19·3
1898—1907*	155·7	136·4	19·3
1899—1908	162·7	143·7	19·0
1900—1909	170·9	150·6	20·3

* Excluding ships.

from and to this group of our smaller foreign customers. Imports increased largely: during 1880-1889 these imports

were 1137 millions, and they were 1709 millions during 1900-1909—an increase of 572 millions, or 57·2 million £ per year.

“All exports” also increased largely: from 915 millions during 1880-1889 to 1506 millions during 1900-1909—an increase of 591 millions, 59·1 million £ per year. This increase was made up of:—

Special Exports other than Coal, a rise of	.	329 millions.
Special Exports of Coal, a rise of	.	149 „
Exports of Bullion and Specie, a rise of	.	71 „
Re-Exports, a rise of	.	42 „
Total increase	.	<u>591</u> „

Compare the above statement with that on page 245, relating to our Five Biggest Foreign Customers.

The excess of imports from this group of all our smaller foreign customers has decreased since 1880-1889. See the last column of Table 121.

During 1880-1889 the excess of imports was 222 millions, and during 1900-1909 it was 203 millions. Nearly all of our great excess of imports is in connection with our five biggest foreign customers. See Table 117.

Looking at the population test in Table 122, we see that our general imports did not keep pace with the growth of our population throughout the whole period, and that during the later decades the growth of these imports exceeded the growth of population. These imports during 1880-1889 were £300 per 100 of population, and £390 during 1900-1909.

Our special exports, including coal, also exceeded the growth of our population. These were £203 per 100 of population during 1880-1889, and £280 during 1900-1909.

Our special exports other than coal to this group of all our smaller foreign customers, Table 122, failed to keep pace with the growth of our population during the larger part of the period. There was a recovery in the later decades. These exports were £186 per 100 of population during 1880-1889, and £232 during 1900-1909.

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Re-exports show little change. There was a falling tendency relatively to population, with recovery at the end.

Upon the whole, our trade with this group of all our smaller foreign customers has been much less unfavourable than our trade with the group of our five biggest foreign customers.

TABLE 122—UNITED KINGDOM: TRADE WITH ALL SMALLER FOREIGN CUSTOMERS, 1880-1909. *Yearly Averages during each Decade*

POPULATION TEST.

Decade.	Per 100 of our Population.			
	General Imports. <i>Table 119.</i>	Special Exports. <i>Table 120.</i>		Re-Exports. <i>Table 120</i>
		Including Coal.	Other than Coal.	
	£	£	£	£
1880—1889	300	203	186	31
1881—1890	299	207	189	31
1882—1891	299	207	188	30
1883—1892	292	207	187	30
1884—1893	285	206	184	30
1885—1894	283	205	183	29
1886—1895	284	207	183	30
1887—1896	289	209	185	29
1888—1897	292	210	184	30
1889—1898	290	209	183	30
1890—1899	288	209	182	30
1891—1900	291	210	180	30
1892—1901	294	211	180	30
1893—1902	302	212	180	31
1894—1903	312	216	182	31
1895—1904	323	221	186	31
1896—1905	333	230	193	32
1897—1906	345	242	203	33
1898—1907	361	259	216	34
1899—1908	375	271	225	35
1900—1909	390	280	232	35

* Excluding ships.

The results shown in this chapter emphasise the necessity to analyse our trade, not only as regards main groups, such as coal and other than coal, but also as regards our principal and other foreign customers.

The main feature disclosed is the large loss of export trade

in our big foreign markets, Table 118, a loss that has not been made good by increased exports to all our smaller foreign customers, Table 122. For, taking all our foreign customers as one whole, and looking at our exports other than coal to foreign countries, per 100 of our population, yearly, these exports were £393 during the first decade 1880-1889, and £420 during the last decade 1900-1909; with a large and prolonged intervening fall—see Table 123. The recent rise has but slightly compensated for the large and prolonged fall seen in Table 123, column C. When we study the course of trade, this unsatisfactory result is disclosed, despite the improvement in our exports during the last few years. A greatly exaggerated importance has been attached to this recent increase of our foreign commerce by many persons whose avocations do not enable them properly to examine the course of British trade. See also Chapter I.

Table 123 shows the notable change that has occurred in the destination of our exports to foreign countries. It emphasises the failure of our sales to our big foreign customers, who in the decade 1889-1898 were passed by our smaller foreign customers, as buyers of our special exports.

In the following chapter we shall test the position of the United Kingdom as a seller in foreign markets when compared with the position of other sellers in the same markets. This is a piece of investigation wholly different from that contained in the present chapter, for not only is the following chapter based upon the records kept by foreign countries as regards the sources of their imports, but also it throws light upon the important question—Has the United Kingdom obtained its share of the much increased purchases made by foreign countries due to growth of the world's population and to an increased world demand for commodities? A moment's thought will show that the present chapter, which relates in part to exports leaving the United Kingdom for foreign countries, does not contain information upon the wider question to which Chapter VIII. relates.

256 OUR TRADE WITH FOREIGN COUNTRIES

TABLE 123.—UNITED KINGDOM: SPECIAL EXPORTS OTHER THAN COAL,
PER 100 OF OUR POPULATION, TO FOREIGN COUNTRIES (GROUP I—
TO UNITED STATES, GERMANY, FRANCE, HOLLAND, BELGIUM. GROUP
II.—TO ALL OTHER FOREIGN COUNTRIES), DURING 1880-1909.
Nearly Averages during each Decade

Decade.	Special Exports * other than Coal to Foreign Countries, per 100 of our Population.		
	To Group I. † <i>Table 118.</i>	To Group II. <i>Table 122. a</i>	Total. <i>Table 63.</i>
	A.	B.	C.
	£	£	£
1880—1889	207	186	393
1881—1890	207	189	396
1882—1891	204	188	392
1883—1892	199	187	386
1884—1893	195	184	379
1885—1894	189	183	372
1886—1895	189	183	372
1887—1896	187	185	372
1888—1897	185	184	369
1889—1898	†181	†183	364
1890—1899	177	182	359
1891—1900	174	180	354
1892—1901	170	180	350
1893—1902	168	180	348
1894—1903	167	182	349
1895—1904	168	186	354
1896—1905	168	193	361
1897—1906	173	203	376
1898—1907	180	216	396
1899—1908	183	225	408
1900—1909	188	232	420

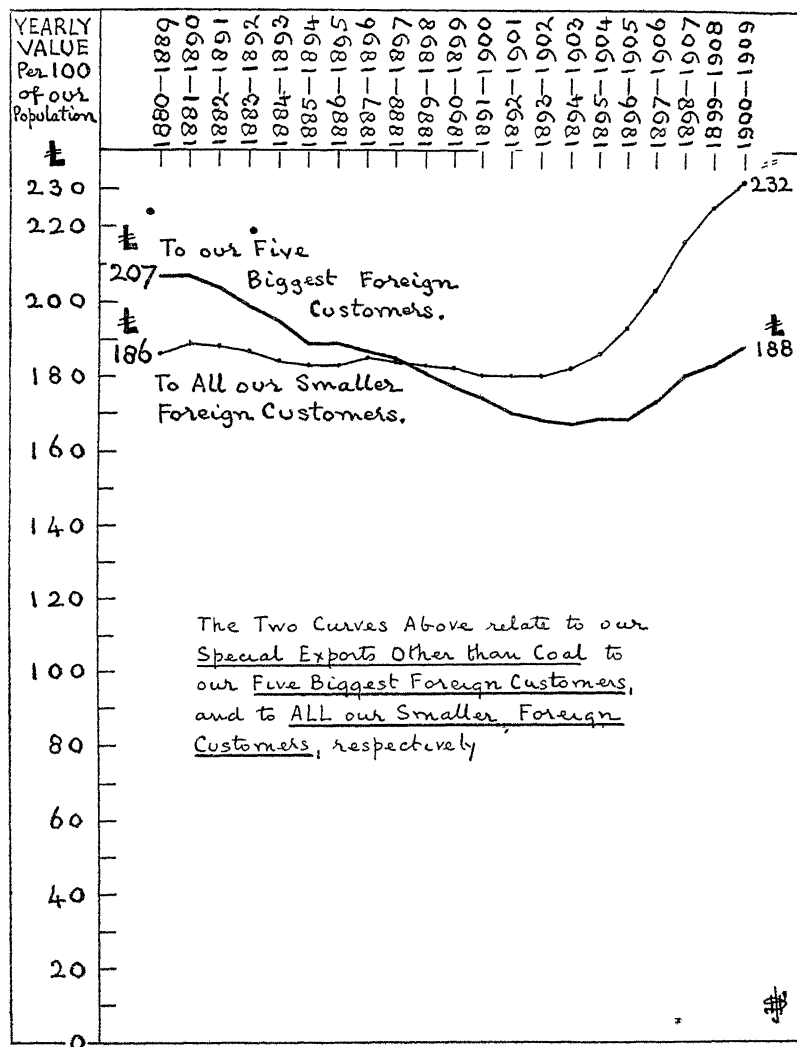
* Excluding ships.

† Group I is made up of our Five Biggest Foreign Customers.

‡ Observe in columns A and B, that in the decade 1889-1898, Group II. (all our smaller Foreign Customers) passed Group I. as buyers of our special exports other than coal. This is an important feature of our foreign commerce, and it is saliently marked in the above table. See the later decades; and observe, in column C, the failure of these exports to keep pace with the growth of our population during nearly the whole of the period. The rise in the last decade, as compared with the first decade, is but trivial compensation for the large and prolonged fall.

NOTABLE CHANGE IN OUR SALES 257

DIAGRAM XLIV.—SEE TABLE 123 UNITED KINGDOM. OUR SPECIAL EXPORTS OTHER THAN COAL TO FOREIGN COUNTRIES, 1880-1909, SHOWING THE LARGE LOSS IN OUR BIG SELLING-MARKETS, *per 100 of our Population*. Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Excluding ships, not recorded until 1899.

Example.—During 1880-1889 our Special Exports other than Coal to our Five Biggest Foreign Customers were £207 yearly per 100 of our Population; during 1900-1909 the value was £188 yearly. Observe the large fall in these Exports that has occurred since 1880-1889, despite the inclusion above of the recent years of "record" trade.

NOTE

Unnecessary criticism is sometimes directed against the Board of Trade Returns of our commerce with individual foreign countries on the score that these returns do not, in all instances, state the country where, for example, our exports are actually consumed. But this feature of the classification is not of much real importance, for the following reason:—Year after year, a certain part of our exports—to take one example—is recorded as being sent to Germany. These records may or may not include the whole of our exports for consumption in Germany. (Probably they do not, and in this chapter Germany, Holland, and Belgium are included in one total.) But, as a matter of fact, it would be sufficiently useful in a broad, comparative analysis of our trade to show that part of it recorded as trade with Germany, or with any other country, for the essential thing is not so much to know the actual consumption of our exports, for example, within the geographical limits of Germany, as to observe the course of that part of our trade which year by year is recorded as trade with Germany. The absence of the one piece of knowledge by no means invalidates the other piece of knowledge that we possess, especially when, as in the present instance, the facts are widely surveyed over a long period, and only the condensed average results made use of.

CHAPTER VIII

SELLERS IN FOREIGN MARKETS *

VALUABLE information is to be gained as to the course of the foreign commerce of the United Kingdom by examining the imports into foreign countries from All Sources, from the United Kingdom, and from other sellers of merchandise in these foreign markets. We are thus enabled to see what if any changes have occurred in the position of the United Kingdom as a seller in foreign markets, relatively to the position of other and rival nations who are also sellers in these foreign markets.

If we confine our attention merely to the trade records relating to the goods that enter or leave the United Kingdom—a common procedure—we are taking a much narrower view than is desirable. We are then wholly ignoring this important question: Has the United Kingdom been maintaining its place as a seller in the markets of the world, relatively to the increased world-demand for commodities? We have to bear in mind that since the year 1880, with which these investigations begin, there has been a great increase in world-population, a great increase in the world's buying-power, a great increase in the demand by foreign countries for goods sent to them by other nations. The purpose of this chapter, therefore, is to examine the facts of this matter in order to obtain an answer to the question put.

* Based upon the 36th Statistical Abstract for Foreign Countries (Cd. 5446) and upon earlier volumes of this Abstract.

It is possible to examine eighteen foreign countries as regards their imports from various sources.

These foreign countries are as follow :—

SPECIAL IMPORTS INTO EACH FOREIGN COUNTRY DURING THE
WHOLE DECADE 1900-1909

	Million £		Million £
1. Germany	3463	10. Russia	753
*2. United States	2263	11. Switzerland	561
3. France	2051	*12. Spain	401
4. Holland	2050	13. Argentine Republic	397
*5. China	1226	*14. Denmark	353
6. Belgium	1156	15. Sweden	321
7. Italy	900	*16. Norway	182
8. Austria-Hungary	880	*17. Roumania	139
*9. Japan	772	18. Portugal	137

* These are General Imports, the Special Imports not being recorded as regards country of origin. China's imports, recorded in Haikwan Taels, have been converted into £'s sterling at the rate of 3 Haikwan Taels = £1. The conversion rate for Japan is 5 Yen = £1.

The above statement is given for the purpose of showing the relative importance of each of these foreign countries as a buying-country. The above facts relate to the most recent decade for which the facts are available. It is of slight importance that in this part of the investigation the facts do not go beyond the year 1909. This is unimportant, because we are here concerned solely with trade tendencies over a long continuous period, and we are not at all concerned to know the facts for this or that year. And the full period 1880-1909, to which the following tables relate, is ample to permit such trade tendencies to disclose themselves.

It should be noted that the special imports into foreign countries from the United Kingdom are not identical with exports from the United Kingdom to foreign countries shown in Chapter VII. : for, in the first place, we are now to deal with imports into foreign countries for home consumption in each country ; and, secondly, exports that leave our shores acquire a different and usually increased value when they are entered as the imports of foreign countries. There is, for one thing, the cost of the sea-freight to be added ; and,

moreover, we are using foreign records of imports, not British records of exports.

These eighteen foreign countries will be examined as regards their imports :—

1. From the United Kingdom.
2. From Germany.
3. From the United States.
4. From Other Countries (*i.e.*, from countries other than 1, 2, 3).
5. From All Countries.

The order of precedence of each foreign country is that shown on page 260, and is based upon the volume of imports going into each of these eighteen foreign countries during the whole decade 1900-1909. The results of this investigation are contained in Tables 124-141, which follow, and which are worthy of careful attention.

The text of this chapter is continued on page 298.

TABLE 124.—GERMANY'S SPECIAL IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill Marks	Mill. Marks	Mill Marks	Mill Marks	Mill Marks
1880—1889	469	..	149	2552	3170
1881—1890	488	...	179	2637	3304
1882—1891	508	..	202	2713	3423
1883—1892	523	...	244	2745	3512
1884—1893	531	...	273	2778	3582
1885—1894	532	..	305	2812	3649
1886—1895	540	.	341	2886	3767
1887—1896	550	.	384	2975	3909
1888—1897	561	...	434	3070	4065
1889—1898	568	...	507	3169	4244
1890—1899	568	...	564	3258	4390
1891—1900	580	..	625	3346	4551
1892—1901	579	.	684	3415	4678
1893—1902	580	.	719	3540	4839
1894—1903	583	..	770	3690	5043
1895—1904	593	..	819	3873	5285
1896—1905	611		870	4105	5586
1897—1906	639		941	4377	5957
1898—1907	680		1008	4676	6364
1899—1908	693		1048	4881	6622
1900—1909	698		1085	5143	6926

A nearly continuous Rise
A large and continuous Rise

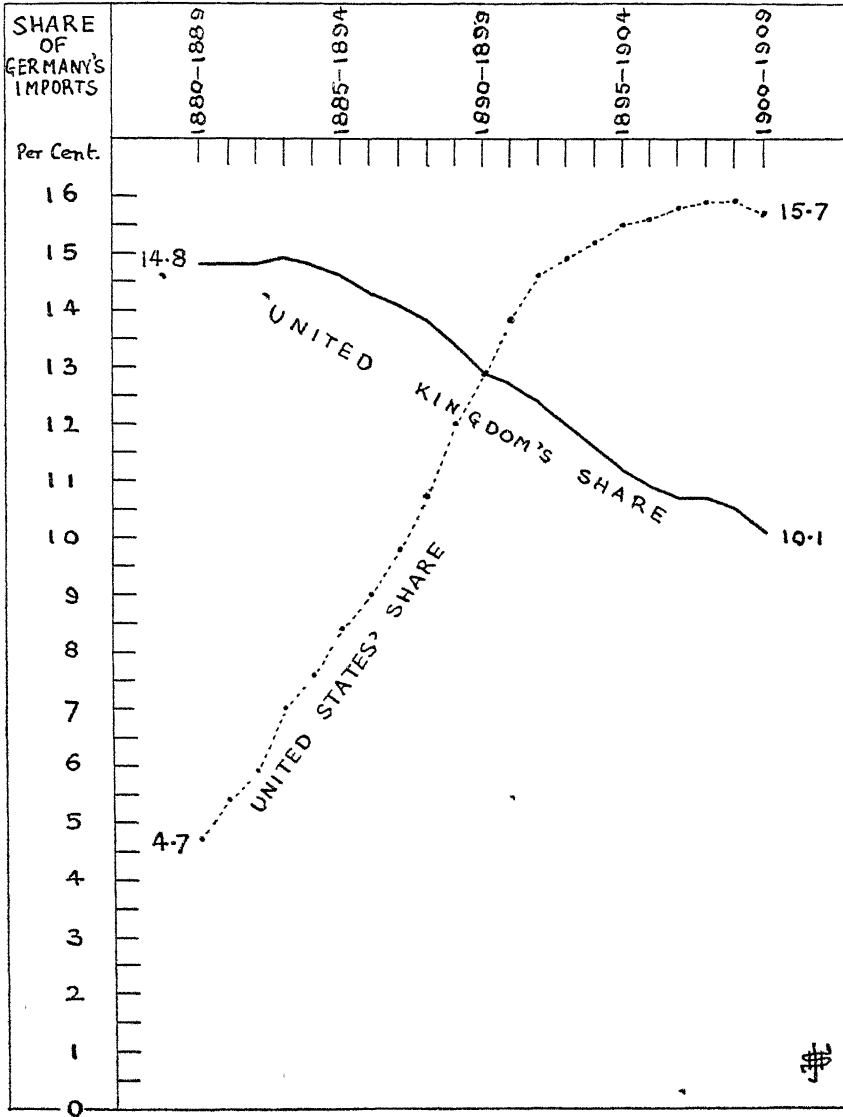
TEST. PERCENTAGE OF GERMANY'S IMPORTS FROM EACH COUNTRY.					
Decade.	From United Kingdom.	From Germany.	From United States	From Other Countries	From ALL Countries
	Per cent.	Per cent.	Per cent	Per cent	Per cent.
1880—1889	14·8	...	4·7	80·5	100·0
1881—1890	14·8	.	5·4	79·8	100·0
1882—1891	14·8	.	5·9	79·3	100·0
1883—1892	14·9	.	7·0	78·1	100·0
1884—1893	14·8	..	7·6	77·6	100·0
1885—1894	14·6	...	8·4	77·0	100·0
1886—1895	14·3	...	9·0	76·7	100·0
1887—1896	14·1	...	9·8	76·1	100·0
1888—1897	13·8	...	10·7	75·5	100·0
1889—1898	13·4	...	12·0	74·6	100·0
1890—1899	12·9	...	12·9	74·2	100·0
1891—1900	12·7	...	13·8	73·5	100·0
1892—1901	12·4	..	14·6	73·0	100·0
1893—1902	12·0	..	14·9	73·1	100·0
1894—1903	11·6	.	15·2	73·2	100·0
1895—1904	11·2	..	15·5	73·3	100·0
1896—1905	10·9	...	15·6	73·5	100·0
1897—1906	10·7	..	15·8	73·5	100·0
1898—1907	10·7	...	15·9	73·4	100·0
1899—1908	10·5	..	15·9	73·6	100·0
1900—1909	10·1	..	15·7	74·2	100·0

A nearly continuous Fall
A large and continuous Rise
A Fall

20 Marks to the £ throughout. During recent years, £1=20·339 Marks.

FALL IN OUR SHARE OF GERMANY'S IMPORTS 263

DIAGRAM XLV.—SEE TABLE 124. SHARE OF GERMANY'S IMPORTS,
1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The United States' share of Germany's Imports rose from £4.7 per £100 of Germany's Imports from All Sources to £15.7 per £100. The United States passed the United Kingdom, as a seller to Germany, in the decade 1891-1900. The United Kingdom has lost much position in German markets.

TABLE 125.—UNITED STATES' GENERAL * IMPORTS, 1880-1909
Yearly Averages during each Decade.

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries.
	Mill. Dollars	Mill. Dollars	Mill. Dollars	Mill. Dollars	Mill. Dollars
1880—1889	174	66	...	440	680
1881—1890	172	70	...	450	692
1882—1891	174	75	...	463	712
1883—1892	170	77	...	475	722
1884—1893	170	81	...	486	737
1885—1894	164	82	...	490	736
1886—1895	166	84	...	501	751
1887—1896	168	86	...	512	766
1888—1897	168	89	...	516	773
1889—1898	161	88	...	513	762
1890—1899	155	88	...	514	757
1891—1900	152	88	...	523	763
1892—1901	147	89	...	525	761
1893—1902	148	91	...	530	769
1894—1903	149	93	...	543	785
1895—1904	155	97	...	566	818
1896—1905	157	101	...	599	857
1897—1906	161	105	...	636	902
1898—1907	168	110	...	690	968
1899—1908	176	117	...	733	1026
1900—1909	186	123	...	779	1088

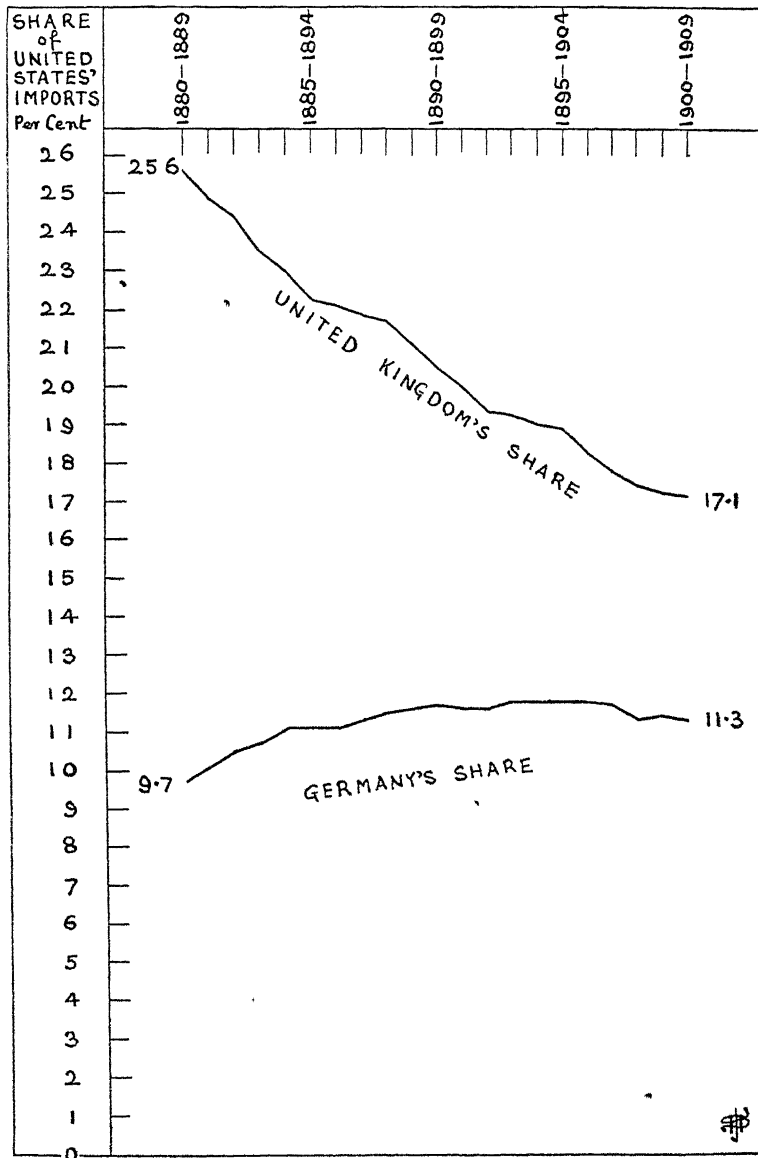
TEST. PERCENTAGE OF UNITED STATES' IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom.	From Germany.	From United States.	From Other Countries	From ALL Countries
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	25.6	9.7	...	64.7	100.0
1881—1890	24.9	10.1	...	65.0	100.0
1882—1891	24.4	10.5	...	65.1	100.0
1883—1892	23.5	10.7	...	65.8	100.0
1884—1893	23.0	11.1	...	65.9	100.0
1885—1894	22.3	11.1	...	66.6	100.0
1886—1895	22.1	11.1	...	66.8	100.0
1887—1896	21.9	11.3	...	66.8	100.0
1888—1897	21.7	11.5	...	66.8	100.0
1889—1898	21.1	11.6	...	67.3	100.0
1890—1899	20.5	11.7	...	67.8	100.0
1891—1900	20.0	11.6	...	68.4	100.0
1892—1901	19.4	11.6	...	69.0	100.0
1893—1902	19.3	11.8	...	68.9	100.0
1894—1903	19.0	11.8	...	69.2	100.0
1895—1904	18.9	11.8	...	69.3	100.0
1896—1905	18.3	11.8	...	69.9	100.0
1897—1906	17.8	11.7	...	70.5	100.0
1898—1907	17.4	11.3	...	71.3	100.0
1899—1908	17.2	11.4	...	71.4	100.0
1900—1909	17.1	11.3	...	71.6	100.0

* Special Imports not distinguished as to country of origin. 4.8 Dollars to the £.

FALL IN OUR SHARE OF U.S. IMPORTS 265

DIAGRAM XLVI—SEE TABLE 125. SHARE OF THE UNITED STATES' IMPORTS, 1880-1909 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied the United States with £25.6 per £100 of the United States' imports from All Countries; during the last decade, our share was only £17.1 per £100. Observe Germany's advance in American markets.

TABLE 126.—FRANCE'S SPECIAL IMPORTS, 1880-1909 *Yearly*
Averages during each Decade.

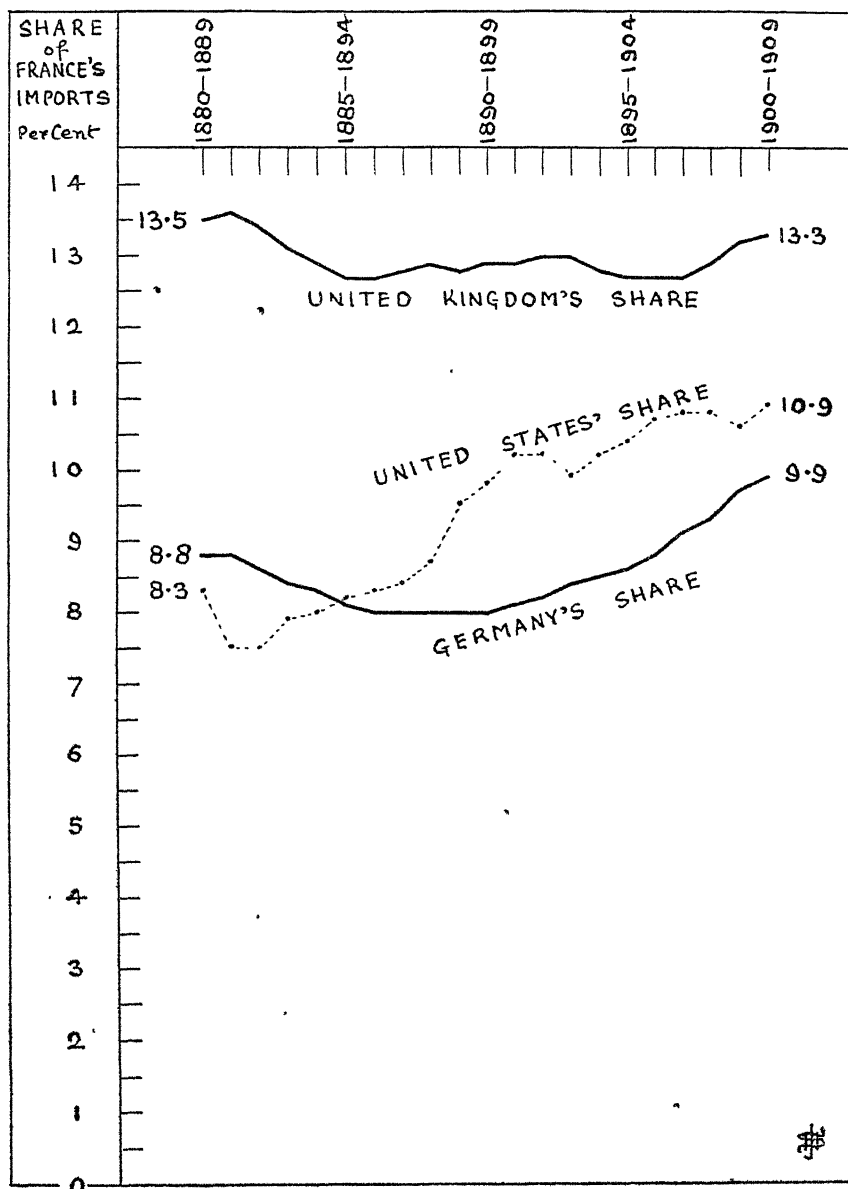
Decade.	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries.
1880—1889	Mill Francs 601	Mill Francs 395	Mill Francs 370	Mill Francs 3095	Mill Francs 4461
1881—1890	597	386	329	3090	4402
1882—1891	586	377	327	3102	4392
1883—1892	566	364	341	3058	4329
1884—1893	546	350	338	3000	4234
1885—1894	532	339	342	2971	4184
1886—1895	528	332	344	2944	4148
1887—1896	527	330	346	2904	4107
1888—1897	528	328	357	2887	4100
1889—1898	525	329	394	2888	4136
1890—1899	531	331	406	2888	4156
1891—1900	535	338	426	2883	4182
1892—1901	537	342	423	2840	4142
1893—1902	540	350	412	2861	4163
1894—1903	547	362	434	2915	4258
1895—1904	551	374	450	2948	4323
1896—1905	561	391	473	3004	4429
1897—1906	585	418	500	3109	4612
1898—1907	625	451	524	3238	4838
1899—1908	653	478	527	3257	4955
1900—1909	683	509	557	3379	5128

TEST PERCENTAGE OF FRANCE'S IMPORTS FROM EACH COUNTRY.					
Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
1880—1889	Per cent 13·5	Per cent 8·8	Per cent. 8·3	Per cent. 69·4	Per cent 100·0
1881—1890	13·6	8·8	7·5	70·1	100·0
1882—1891	13·4	8·6	7·5	70·5	100·0
1883—1892	13·1	8·4	7·9	70·6	100·0
1884—1893	12·9	8·3	8·0	70·8	100·0
1885—1894	12·7	8·1	8·2	71·0	100 0
1886—1895	12·7	8·0	8·3	71·0	100·0
1887—1896	12·8	8·0	8·4	70·8	100·0
1888—1897	12·9	8·0	8·7	70·4	100·0
1889—1898	12·7	8·0	9·5	69·8	100·0
1890—1899	12·8	8·0	9·8	69·4	100·0
1891—1900	12·8	8·1	10·2	68·9	100·0
1892—1901	13·0	8·2	10·2	68·6	100·0
1893—1902	13·0	8·4	9·9	68·7	100·0
1894—1903	12·8	8·5	10·2	68·5	100·0
1895—1904	12·7	8·6	10·4	68·3	100·0
1896—1905	12·7	8·8	10·7	67·8	100·0
1897—1906	12·7	9·1	10·8	67·4	100·0
1898—1907	12·9	9·3	10·8	67·0	100 0
1899—1908	13·2	9·7	10·6	66·5	100 0
1900—1909	13·3	9·9	10·9	65·9	100·0

25 Francs to the £.

FALL IN OUR SHARE OF FRANCE'S IMPORTS 267

DIAGRAM XLVII—SEE TABLE 126 SHARE OF FRANCE'S IMPORTS,
1880-1909 Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Example.—The United States and Germany are catching up the United Kingdom as a seller in French markets. Our share was weak throughout nearly all of the whole period.

TABLE 127—HOLLAND'S SPECIAL IMPORTS, 1880-1909 *Yearly*
Averages during each Decade

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Gulden	Mill. Gulden	Mill. Gulden	Mill. Gulden	Mill. Gulden
1880—1889	272	298	65	445	1080
1881—1890	279	301	67	479	1126
1882—1891	282	299	70	519	1170
1883—1892	281	295	81	542	1199
1884—1893	282	291	90	569	1232
1885—1894	275	290	97	604	1266
1886—1895	272	290	102	637	1301
1887—1896	271	288	112	683	1354
1888—1897	273	288	128	722	1411
1889—1898	266	291	149	758	1464
1890—1899	264	297	172	798	1531
1891—1900	264	309	190	835	1598
1892—1901	262	328	211	866	1667
1893—1902	259	358	220	918	1755
1894—1903	259	390	227	966	1842
1895—1904	259	417	237	1025	1938
1896—1905	262	451	250	1089	2052
1897—1906	267	482	265	1127	2141
1898—1907	273	513	271	1181	2238
1899—1908	275	548	275	1242	2340
1900—1909	277	589	275	1321	2462

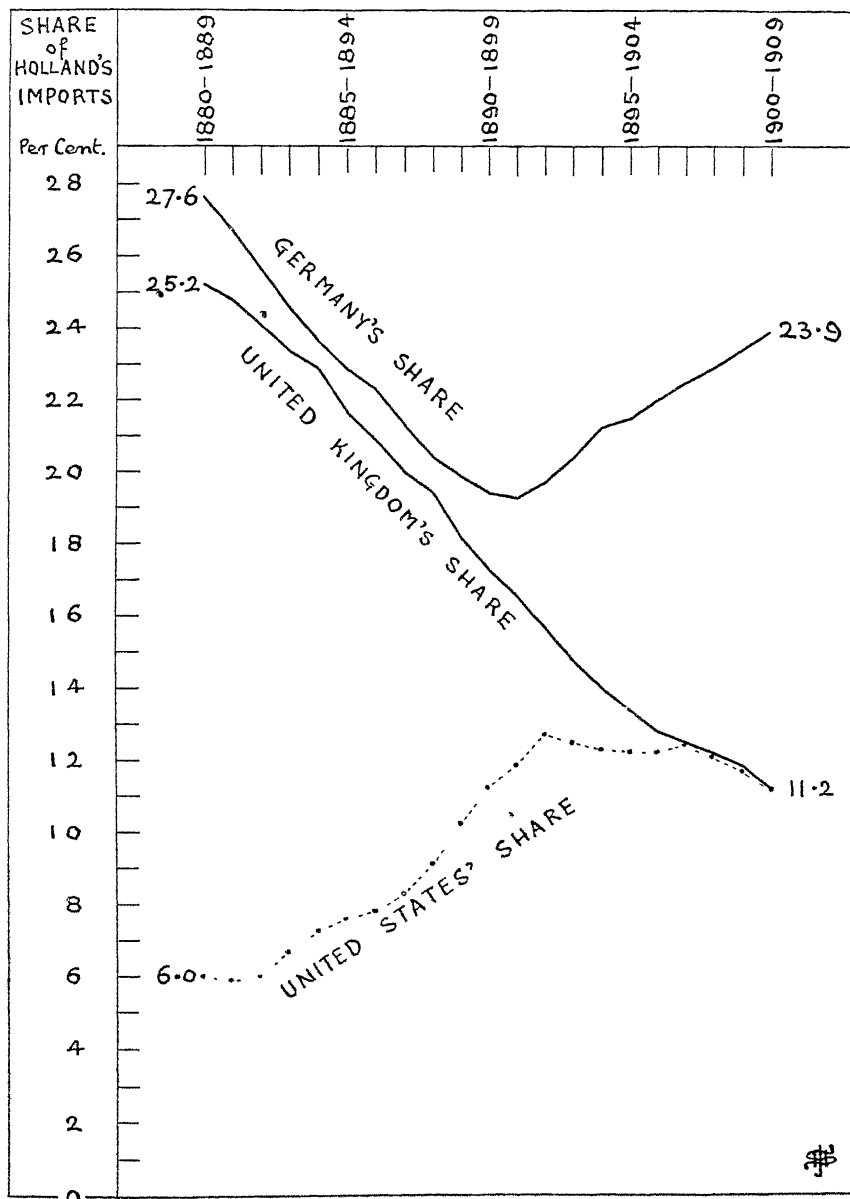
TEST. PERCENTAGE OF HOLLAND'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom	From Germany	From United States.	From Other Countries.	From ALL Countries.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	25.2	27.6	6.0	41.2	100.0
1881—1890	24.8	26.7	5.9	42.6	100.0
1882—1891	24.1	25.6	6.0	44.3	100.0
1883—1892	23.4	24.6	6.7	45.3	100.0
1884—1893	22.9	23.6	7.3	46.2	100.0
1885—1894	21.7	22.9	7.6	47.8	100.0
1886—1895	20.9	22.3	7.8	49.0	100.0
1887—1896	20.0	21.3	8.3	50.4	100.0
1888—1897	19.4	20.4	9.1	51.1	100.0
1889—1898	18.2	19.9	10.2	51.7	100.0
1890—1899	17.3	19.4	11.2	52.1	100.0
1891—1900	16.6	19.3	11.9	52.2	100.0
1892—1901	15.7	19.7	12.7	51.9	100.0
1893—1902	14.8	20.4	12.5	52.3	100.0
1894—1903	14.0	21.2	12.3	52.5	100.0
1895—1904	13.4	21.5	12.2	52.9	100.0
1896—1905	12.8	22.0	12.2	53.0	100.0
1897—1906	12.5	22.5	12.4	52.6	100.0
1898—1907	12.2	22.9	12.1	52.8	100.0
1899—1908	11.8	23.4	11.7	53.1	100.0
1900—1909	11.2	23.9	11.2	53.7	100.0

The above Imports include Bullion and Specie, relatively trivial. 12 Gulden to the £.

FALL IN OUR SHARE OF HOLLAND'S IMPORTS 269

DIAGRAM XLVIII.—SEE TABLE 127. SHARE OF HOLLAND'S IMPORTS,
1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied £25.2 per £100 of Holland's Imports from All Countries; during the last decade, our share was only £11.2 per £100. The United States have caught up the United Kingdom as a seller in Dutch markets.

TABLE 128.—CHINA'S GENERAL * IMPORTS, 1880-1909. *Yearly Averages during each Decade*

Decade	From United Kingdom	From Continent of Europe † (except Russia)	From United States	From Other Countries	From ALL Countries
	Mill Haikwan Taels	Mill Haikwan Taels	Mill Haikwan Taels	Mill Haikwan Taels	Mill Haikwan Taels
1880—1889	22·2	2·5	3·1	65·2	93
1881—1890	22·4	2·6	3·4	68·6	97
1882—1891	23·0	2·9	3·8	72·3	102
1883—1892	24·0	3·2	4·1	75·7	107
1884—1893	25·2	3·5	4·4	81·9	115
1885—1894	26·4	3·9	5·0	88·7	124
1886—1895	27·4	4·4	5·2	96·0	133
1887—1896	29·7	5·1	6·0	105·2	146
1888—1897	31·1	5·7	6·8	112·4	156
1889—1898	31·6	6·3	8·3	119·8	166
1890—1899	33·5	7·0	10·1	131·4	182
1891—1900	35·6	7·7	11·4	136·3	191
1892—1901	36·8	8·9	13·0	146·3	205
1893—1902	39·6	10·2	15·4	158·8	224
1894—1903	41·9	11·9	17·4	170·8	242
1895—1904	44·6	13·7	19·4	184·3	262
1896—1905	49·8	16·1	26·6	197·5	290
1897—1906	53·2	19·1	29·9	208·8	311
1898—1907	57·0	21·6	32·3	222·1	333
1899—1908	60·8	23·5	34·7	233·0	352
1900—1909	63·6	25·7	35·7	243·0	368

TEST. PERCENTAGE OF CHINA'S IMPORTS FROM EACH COUNTRY.

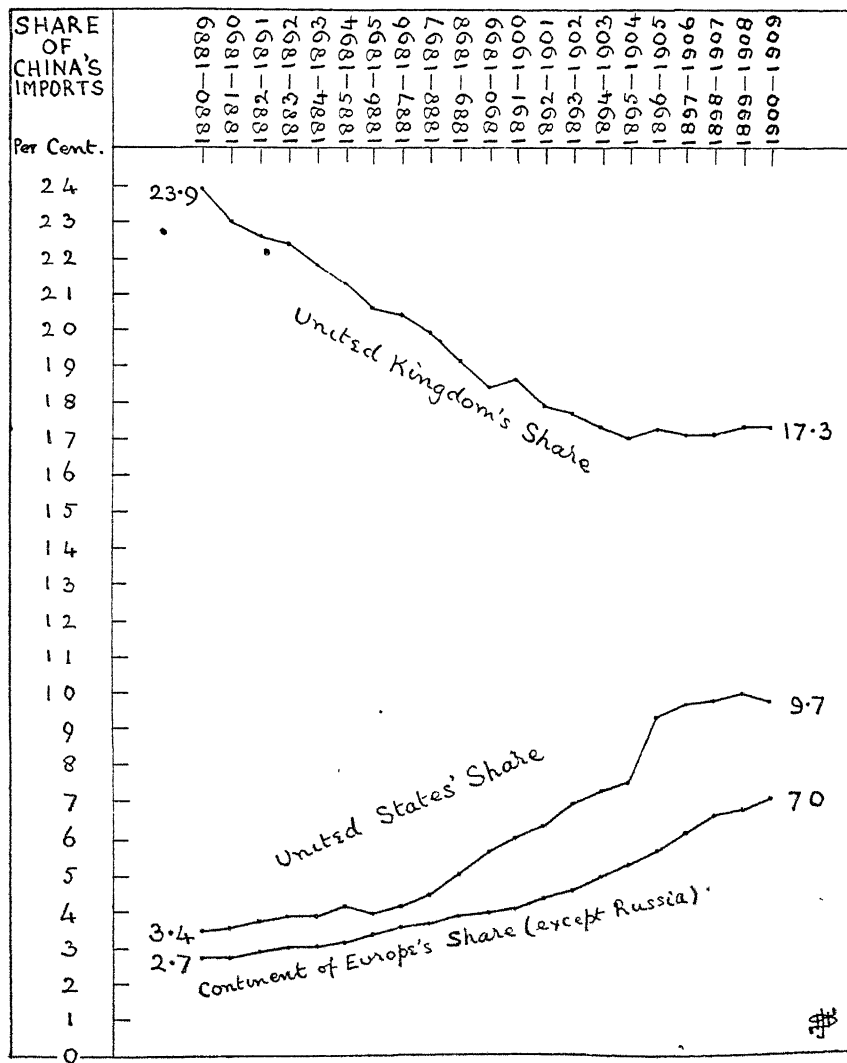
Decade	From United Kingdom	From Continent of Europe † (except Russia)	From United States	From Other Countries	From ALL Countries
	Per cent	Per cent	Per cent	Per cent.	Per cent
1880—1889	23·9	2·7	3·4	70·0	100·0
1881—1890	23·0	2·7	3·5	70·8	100·0
1882—1891	22·6	2·9	3·7	70·8	100·0
1883—1892	22·4	3·0	3·8	70·8	100·0
1884—1893	21·8	3·0	3·8	71·4	100·0
1885—1894	21·3	3·1	4·1	71·5	100·0
1886—1895	20·6	3·3	3·9	72·2	100·0
1887—1896	20·4	3·5	4·1	72·0	100·0
1888—1897	19·9	3·6	4·4	72·1	100·0
1889—1898	19·1	3·8	5·0	72·1	100·0
1890—1899	18·4	3·9	5·6	72·1	100·0
1891—1900	18·6	4·0	6·0	71·4	100·0
1892—1901	17·9	4·3	6·3	71·5	100·0
1893—1902	17·7	4·5	6·9	70·9	100·0
1894—1903	17·3	4·9	7·2	70·6	100·0
1895—1904	17·0	5·2	7·4	70·4	100·0
1896—1905	17·2	5·6	9·2	68·0	100·0
1897—1906	17·1	6·1	9·6	67·2	100·0
1898—1907	17·1	6·5	9·7	66·7	100·0
1899—1908	17·3	6·7	9·9	66·1	100·0
1900—1909	17·3	7·0	9·7	66·0	100·0

* Special Imports not recorded as to country of origin. The nominal value of the Haikwan Tael is 6s. 8d. (3 to the £), but the actual exchange value has fallen considerably.

† Imports from Germany alone not recorded.

FALL IN OUR SHARE OF CHINA'S IMPORTS 271

DIAGRAM XLIX—SEE TABLE 128 SHARE OF CHINA'S IMPORTS,
1880-1909. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—The increasing share of the United States as a seller in Chinese markets is catching up the decreasing share of the United Kingdom. Germany's share is not recorded separately from that of the "Continent of Europe (except Russia)."

TABLE 129.—BELGIUM'S SPECIAL IMPORTS,* 1880-1909. *Yearly Averages during each Decade*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Francs	Mill. Francs	Mill. Francs	Mill. Francs	Mill. Francs.
1880—1889	199	197	168	946	1510
1881—1890	194	191	157	967	1509
1882—1891	190	186	155	995	1526
1883—1892	189	179	157	994	1519
1884—1893	189	173	154	1005	1521
1885—1894	188	173	151	1024	1536
1886—1895	190	176	152	1052	1570
1887—1896	194	182	154	1084	1614
1888—1897	197	190	160	1105	1652
1889—1898	201	196	178	1122	1697
1890—1899	207	207	195	1153	1762
1891—1900	211	222	206	1173	1812
1892—1901	214	234	219	1183	1850
1893—1902	220	250	226	1234	1930
1894—1903	225	266	239	1301	2031
1895—1904	235	282	249	1378	2144
1896—1905	246	304	260	1466	2276
1897—1906	262	328	272	1573	2435
1898—1907	280	351	281	1710	2622
1899—1908	288	372	285	1803	2748
1900—1909	300	393	284	1912	2889

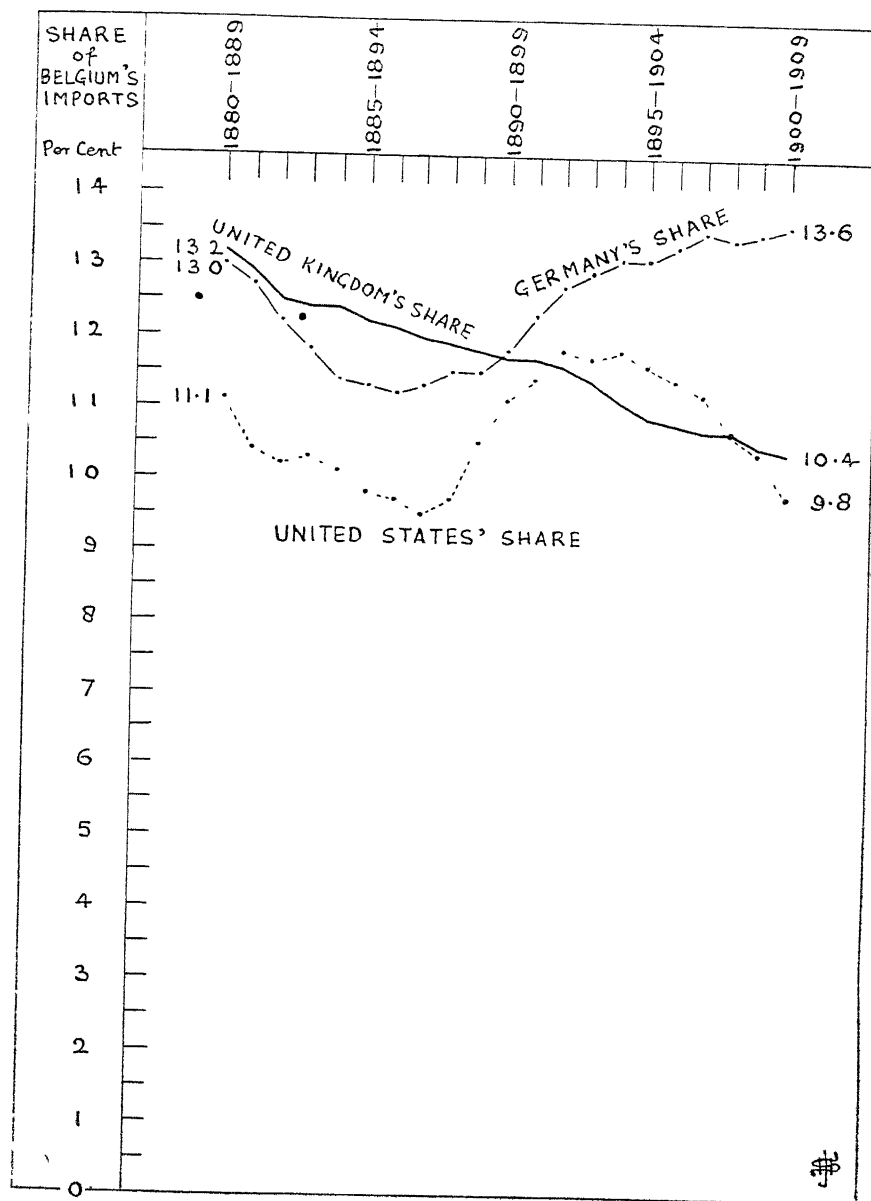
TEST. PERCENTAGE OF BELGIUM'S IMPORTS FROM EACH COUNTRY.

Decade	From United Kingdom	From Germany	From United States	From Other Countries.	From ALL Countries
	Per cent	Per cent	Per cent.	Per cent.	Per cent
1880—1889	13.2	13.0	11.1	62.7	100.0
1881—1890	12.9	12.7	10.4	64.0	100.0
1882—1891	12.5	12.2	10.2	65.1	100.0
1883—1892	12.4	11.8	10.3	65.5	100.0
1884—1893	12.4	11.4	10.1	66.1	100.0
1885—1894	12.2	11.3	9.8	66.7	100.0
1886—1895	12.1	11.2	9.7	67.0	100.0
1887—1896	12.0	11.3	9.5	67.2	100.0
1888—1897	11.9	11.5	9.7	66.9	100.0
1889—1898	11.8	11.5	10.5	66.2	100.0
1890—1899	11.7	11.8	11.1	65.4	100.0
1891—1900	11.7	12.3	11.4	64.6	100.0
1892—1901	11.6	12.7	11.8	63.9	100.0
1893—1902	11.4	12.9	11.7	64.0	100.0
1894—1903	11.1	13.1	11.8	64.0	100.0
1895—1904	10.9	13.1	11.6	64.4	100.0
1896—1905	10.8	13.3	11.4	64.5	100.0
1897—1906	10.7	13.5	11.2	64.6	100.0
1898—1907	10.7	13.4	10.7	65.2	100.0
1899—1908	10.5	13.5	10.4	65.6	100.0
1900—1909	10.4	13.6	9.8	66.2	100.0

* Excluding Diamonds in the rough. 25 Francs to the £.

FALL IN OUR SHARE OF BELGIUM'S IMPORTS 273

DIAGRAM L.—SEE TABLE 129 SHARE OF BELGIUM'S IMPORTS,
1880-1909 Yearly Averages during each Decade



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied £13.2 per £100 of Belgium's Imports from All Countries; during the last decade, our share was £10.4 per £100.

Observe that Germany and the United States have each passed the United Kingdom as a seller in Belgian markets. The United States have lately fallen back.

TABLE 130.—ITALY'S SPECIAL IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Lire.	Mill. Lire.	Mill. Lire.	Mill. Lire.	Mill. Lire.
1880—1889	299	118	67	899	1383
1881—1890	305	123	67	897	1392
1882—1891	295	130	68	879	1372
1883—1892	290	136	69	860	1355
1884—1893	285	139	73	839	1336
1885—1894	280	142	78	811	1311
1886—1895	272	145	83	772	1272
1887—1896	268	146	89	741	1244
1888—1897	260	145	95	703	1203
1889—1898	259	146	104	718	1227
1890—1899	257	150	114	717	1238
1891—1900	261	156	128	731	1276
1892—1901	263	163	144	766	1336
1893—1902	267	171	158	800	1396
1894—1903	270	180	169	844	1463
1895—1904	277	191	182	895	1545
1896—1905	288	206	194	945	1633
1897—1906	310	231	213	1017	1771
1898—1907	340	269	240	1091	1940
1899—1908	365	305	264	1156	2090
1900—1909	384	336	286	1245	2261

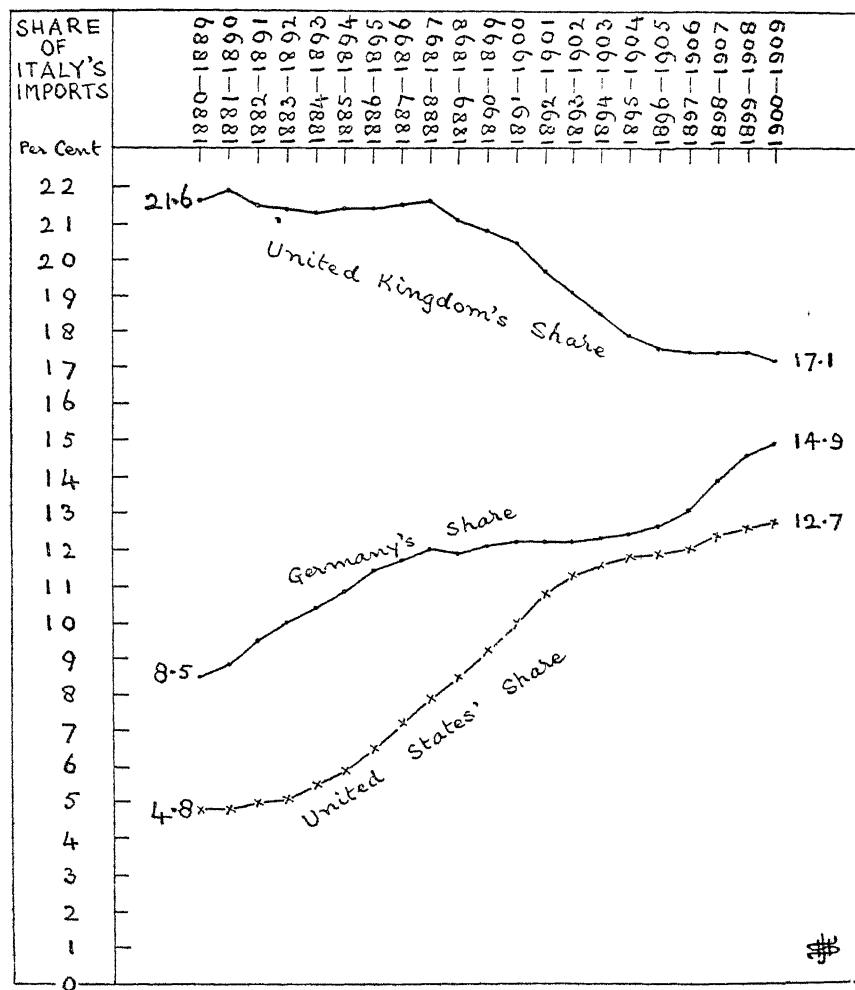
TEST. PERCENTAGE OF ITALY'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom.	From Germany.	From United States.	From Other Countries.	From ALL Countries.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	21.6	8.5	4.8	65.1	100.0
1881—1890	21.9	8.8	4.8	64.5	100.0
1882—1891	21.5	9.5	5.0	64.0	100.0
1883—1892	21.4	10.0	5.1	63.5	100.0
1884—1893	21.3	10.4	5.5	62.8	100.0
1885—1894	21.4	10.8	5.9	61.9	100.0
1886—1895	21.4	11.4	6.5	60.7	100.0
1887—1896	21.5	11.7	7.2	59.6	100.0
1888—1897	21.6	12.0	7.9	58.5	100.0
1889—1898	21.1	11.9	8.5	58.5	100.0
1890—1899	20.8	12.1	9.2	57.9	100.0
1891—1900	20.5	12.2	10.0	57.3	100.0
1892—1901	19.7	12.2	10.8	57.3	100.0
1893—1902	19.1	12.2	11.3	57.4	100.0
1894—1903	18.5	12.3	11.6	57.6	100.0
1895—1904	17.9	12.4	11.8	57.9	100.0
1896—1905	17.6	12.6	11.9	57.9	100.0
1897—1906	17.5	13.1	12.0	57.4	100.0
1898—1907	17.5	13.9	12.4	56.2	100.0
1899—1908	17.5	14.6	12.6	55.3	100.0
1900—1909	17.1	14.9	12.7	55.3	100.0

Including Bullion and Specie from 1880 to 1885, and Silver Bullion from 1886 onwards. The amounts are relatively trivial compared with imports of merchandise. 25 Lire to the £.

FALL IN OUR SHARE OF ITALY'S IMPORTS 275

DIAGRAM II.—SEE TABLE 130. SHARE OF ITALY'S IMPORTS, 1880-1909
Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied Italy with £21.6 per £100 of Italy's imports; during the last decade, the United Kingdom's share of Italy's imports was only £17.1 per £100. Germany and the United States are both rapidly catching us up as sellers to Italy.

TABLE 131.—AUSTRIA-HUNGARY'S SPECIAL IMPORTS, 1880-1909.
Yearly Averages during each Decade.

Decade	From United Kingdom	From Germany.	From United States	From Other Countries	From ALL Countries
	Mill Kronen	Mill Kronen.	Mill Kronen	Mill Kronen	Mill Kronen.
1880—1889	...	.			1187
1881—1890	...			...	1186
1882—1891	...	.	.		1181
1883—1892	...	...	..		1174
1884—1893	...	...	.		1183
1885—1894	...	...			1201
1886—1895	...	...			1234
1887—1896	...	...	...	.	1267
1888—1897	...	...	...	.	1305
1889—1898	...	...	...	.	1362
1890—1899	...	...			1405
1891—1900	141	529	90	693	1453
1892—1901	141	548	98	708	1495
1893—1902	143	567	107	726	1543
1894—1903	145	587	118	746	1596
1895—1904	146	612	129	774	1661
1896—1905	147	641	142	801	1731
1897—1906	151	680	155	838	1824
1898—1907	161	724	168	870	1923
1899—1908	169	767	177	886	1999
1900—1909	176	814	187	936	2113

A large Rise

TEST. PERCENTAGE OF AUSTRIA-HUNGARY'S IMPORTS FROM EACH COUNTRY.

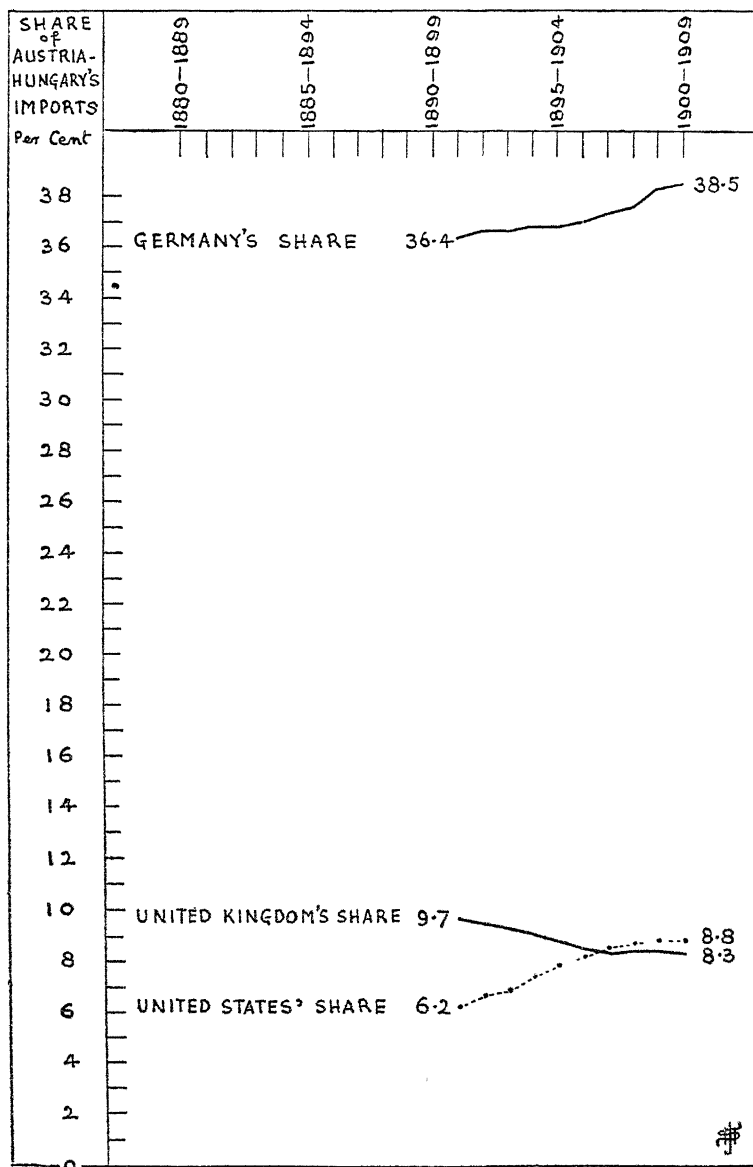
Decade.	From United Kingdom	From Germany	From United States.	From Other Countries.	From ALL Countries
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	...	...	.	..	.
1881—1890	...	...	..	...	.
1882—1891	...	...		..	.
1883—1892	...	..		..	.
1884—1893	...	...	..	.	.
1885—1894	...	...	..	..
1886—1895	...	..	.	...
1887—1896	...	...	.	..	..
1888—1897	.	...	..	..	..
1889—1898	...	...	...	..	..
1890—1899	...	..	..	...	...
1891—1900	9.7	36.4	6.2	47.7	100.0
1892—1901	9.5	36.7	6.6	47.2	100.0
1893—1902	9.3	36.7	6.9	47.1	100.0
1894—1903	9.1	36.8	7.4	46.7	100.0
1895—1904	8.8	36.8	7.8	46.6	100.0
1896—1905	8.5	37.0	8.2	46.3	100.0
1897—1906	8.3	37.3	8.5	45.9	100.0
1898—1907	8.4	37.6	8.7	45.3	100.0
1899—1908	8.4	38.3	8.8	44.5	100.0
1900—1909	8.3	38.5	8.8	44.4	100.0

A Fall A Rise A Rise A Fall

Not recorded as to country of origin before the year 1891. 24 Kronen to the £.

FALL IN OUR SHARE OF AUSTRIA'S IMPORTS 277

DIAGRAM LII—SEE TABLE 131. SHARE OF AUSTRIA-HUNGARY'S IMPORTS, 1891-1905. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Austria-Hungary's Imports were not recorded as to country of origin before the year 1891.

Observe that the share of the United Kingdom has decreased, and that Germany and the United States have each gained position as a seller to Austria-Hungary. The United States passed the United Kingdom in the decade 1897-1906.

TABLE 132.—JAPAN'S GENERAL * IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany.	From United States	From Other Countries	From ALL Countries
	Million Yen	Million Yen	Million Yen.	Million Yen	Million Yen
1880—1889	18.6	2.9	3.7	16.9	42.1
1881—1890	19.6	3.4	4.2	19.3	46.5
1882—1891	20.0	3.8	4.7	21.0	49.5
1883—1892	20.5	4.3	4.9	23.7	53.4
1884—1893	21.9	4.8	5.2	27.1	59.0
1885—1894	24.7	5.4	6.0	31.4	67.5
1886—1895	27.7	6.4	6.6	36.5	77.2
1887—1896	32.2	7.8	7.9	43.6	91.5
1888—1897	36.5	9.2	10.2	53.6	109.5
1889—1898	40.0	11.2	13.8	67.4	132.4
1890—1899	42.0	12.5	17.1	77.6	149.2
1891—1900	46.6	14.8	22.8	87.0	171.2
1892—1901	49.9	17.1	26.6	98.1	191.7
1893—1902	53.0	19.1	30.9	109.8	212.8
1894—1903	55.3	21.0	35.1	125.3	236.7
1895—1904	58.7	23.1	39.9	141.7	263.4
1896—1905	65.9	26.2	49.5	158.8	300.4
1897—1906	70.1	28.7	54.9	171.8	325.5
1898—1907	75.2	31.7	60.4	185.6	352.9
1899—1908	80.0	32.8	64.2	190.8	368.8
1900—1909	84.3	36.1	65.8	199.8	386.0

A large Rise

TEST. PERCENTAGE OF JAPAN'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom.	From Germany.	From United States.	From Other Countries	From ALL Countries
	Per cent	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	44.1	6.9	8.7	40.3	100.0
1881—1890	42.2	7.2	8.9	41.7	100.0
1882—1891	40.3	7.6	9.4	42.7	100.0
1883—1892	38.4	8.0	9.2	44.4	100.0
1884—1893	37.1	8.2	8.8	45.9	100.0
1885—1894	36.5	8.0	8.9	46.6	100.0
1886—1895	35.9	8.3	8.6	47.2	100.0
1887—1896	35.2	8.5	8.6	47.7	100.0
1888—1897	33.3	8.4	9.3	49.0	100.0
1889—1898	30.2	8.5	10.4	50.9	100.0
1890—1899	28.2	8.4	11.5	51.9	100.0
1891—1900	27.3	8.6	13.3	50.8	100.0
1892—1901	26.0	8.9	13.9	51.2	100.0
1893—1902	24.9	8.9	14.5	51.7	100.0
1894—1903	23.3	8.9	14.8	53.0	100.0
1895—1904	22.3	8.8	15.2	53.7	100.0
1896—1905	21.9	8.7	16.5	52.9	100.0
1897—1906	21.5	8.8	16.9	52.8	100.0
1898—1907	21.3	9.0	17.1	52.6	100.0
1899—1908	21.7	9.2	17.4	51.7	100.0
1900—1909	21.8	9.3	17.0	51.9	100.0

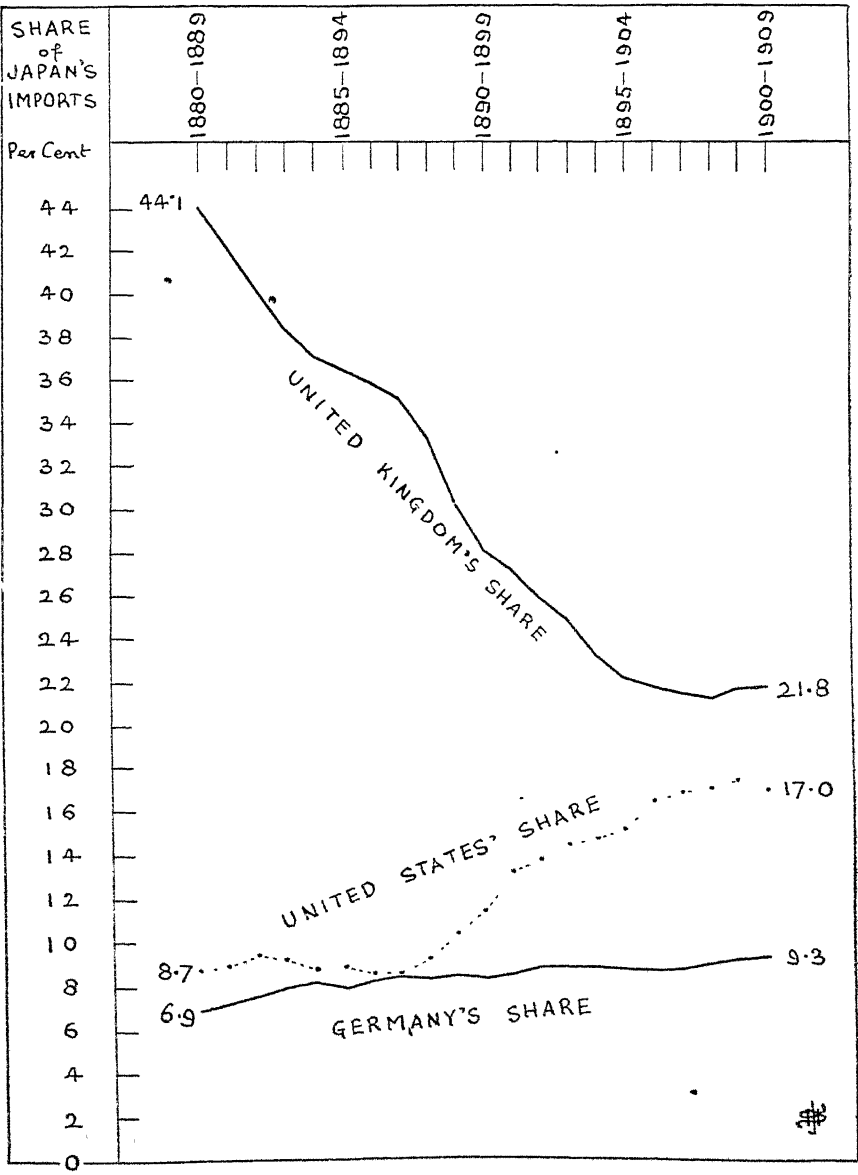
A large Fall A Rise A large Rise A large Rise

From the year 1896 onwards, Japan's Imports include the imports into Formosa. The nominal value of the yen is 4s., but the actual exchange value has varied and considerably decreased.

* Special Imports not recorded as to country of origin.

FALL IN OUR SHARE OF JAPAN'S IMPORTS 279

DIAGRAM LIIL.—SEE TABLE 132. SHARE OF JAPAN'S IMPORTS, 1880-1909 Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Example.—The large decrease in the United Kingdom's share of Japan's imports has been accompanied by a large increase in the share of the United States, which are rapidly catching up the United Kingdom as a seller to Japan.

TABLE 133—RUSSIA'S SPECIAL IMPORTS, 1880-1909. *Yearly Averages during each Decade*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Roubles.	Mill. Roubles	Mill. Roubles.	Mill. Roubles.	Mill. Roubles
1880—1889	114	169	26	181	490
1881—1890	109	153	30	177	469
1882—1891	106	142	32	176	456
1883—1892	104	130	34	171	439
1884—1893	102	124	34	169	429
1885—1894	103	120	36	173	432
1886—1895	106	123	37	176	442
1887—1896	106	129	41	181	457
1888—1897	107	136	42	189	474
1889—1898	108	144	45	199	496
1890—1899	111	154	44	209	518
1891—1900	114	164	43	218	539
1892—1901	116	175	43	226	560
1893—1902	116	186	43	235	580
1894—1903	116	200	46	240	602
1895—1904	113	209	48	241	611
1896—1905	110	215	49	246	620
1897—1906	110	226	48	257	641
1898—1907	111	242	48	269	670
1899—1908	111	248	49	292	700
1900—1909	112	272	52	297	733

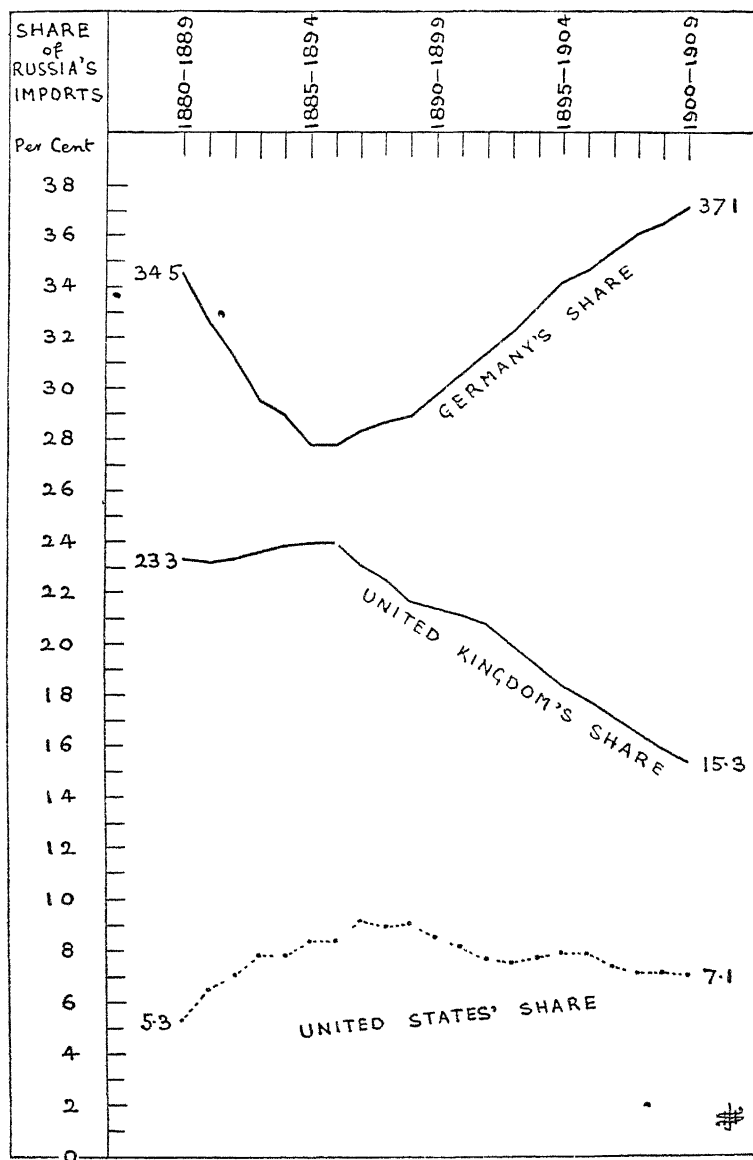
TEST. PERCENTAGE OF RUSSIA'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom.	From Germany	From United States.	From Other Countries.	From ALL Countries
	Per cent	Per cent.	Per cent	Per cent	Per cent.
1880—1889	23·3	34·5	5·3	36·9	100·0
1881—1890	23·2	32·6	6·5	37·7	100·0
1882—1891	23·3	31·2	7·1	38·4	100·0
1883—1892	23·6	29·6	7·8	39·0	100·0
1884—1893	23·8	28·9	7·8	39·5	100·0
1885—1894	23·9	27·8	8·3	40·0	100·0
1886—1895	23·9	27·8	8·3	40·0	100·0
1887—1896	23·1	28·3	9·1	39·5	100·0
1888—1897	22·5	28·7	8·9	39·9	100·0
1889—1898	21·7	28·9	9·0	40·4	100·0
1890—1899	21·4	29·7	8·5	40·4	100·0
1891—1900	21·2	30·5	8·1	40·2	100·0
1892—1901	20·8	31·3	7·7	40·2	100·0
1893—1902	20·0	32·2	7·5	40·3	100·0
1894—1903	19·2	33·2	7·7	39·9	100·0
1895—1904	18·4	34·2	7·9	39·5	100·0
1896—1905	17·8	34·6	7·9	39·7	100·0
1897—1906	17·1	35·3	7·4	40·2	100·0
1898—1907	16·5	36·1	7·2	40·2	100·0
1899—1908	15·9	36·5	7·2	40·4	100·0
1900—1909	15·3	37·1	7·1	40·5	100·0

Prior to 1897, 10 roubles to the £. From 1897 onwards, 1 rouble = 2s. 1½d.

FALL IN OUR SHARE OF RUSSIA'S IMPORTS 281

DIAGRAM LIV.—SEE TABLE 133. SHARE OF RUSSIA'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied £23.3 per £100 of Russia's imports from All Countries; during the last decade, our share was only £15.3 per £100. The rise in Germany's position accompanied the Russo-German tariff-treaty of 1894. The fall in the United Kingdom's position also then set in.

TABLE 134—SWITZERLAND'S SPECIAL IMPORTS, 1880-1909.
Yearly Averages during each Decade.

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Francs	Mill. Francs.	Mill. Francs.	Mill. Francs.	Mill. Francs.
1880—1889	.	..	.	..	.
1881—1890	.	.	.	.	.
1882—1891	.	.	.	.	.
1883—1892	.	.	.	.	.
1884—1893	.	.	.	.	.
1885—1894	47	261	29	545	882
1886—1895	46	263	31	564	904
1887—1896	47	268	33	582	930
1888—1897	48	272	35	603	958
1889—1898	48	279	40	625	992
1890—1899	49	286	44	645	1024
1891—1900	50	292	47	656	1045
1892—1901	50	295	50	664	1059
1893—1902	51	305	52	680	1088
1894—1903	52	317	54	703	1126
1895—1904	54	330	56	730	1170
1896—1905	56	347	57	758	1218
1897—1906	59	364	59	785	1267
1898—1907	66	389	61	813	1329
1899—1908	69	408	60	830	1367
1900—1909	73	428	60	842	1403

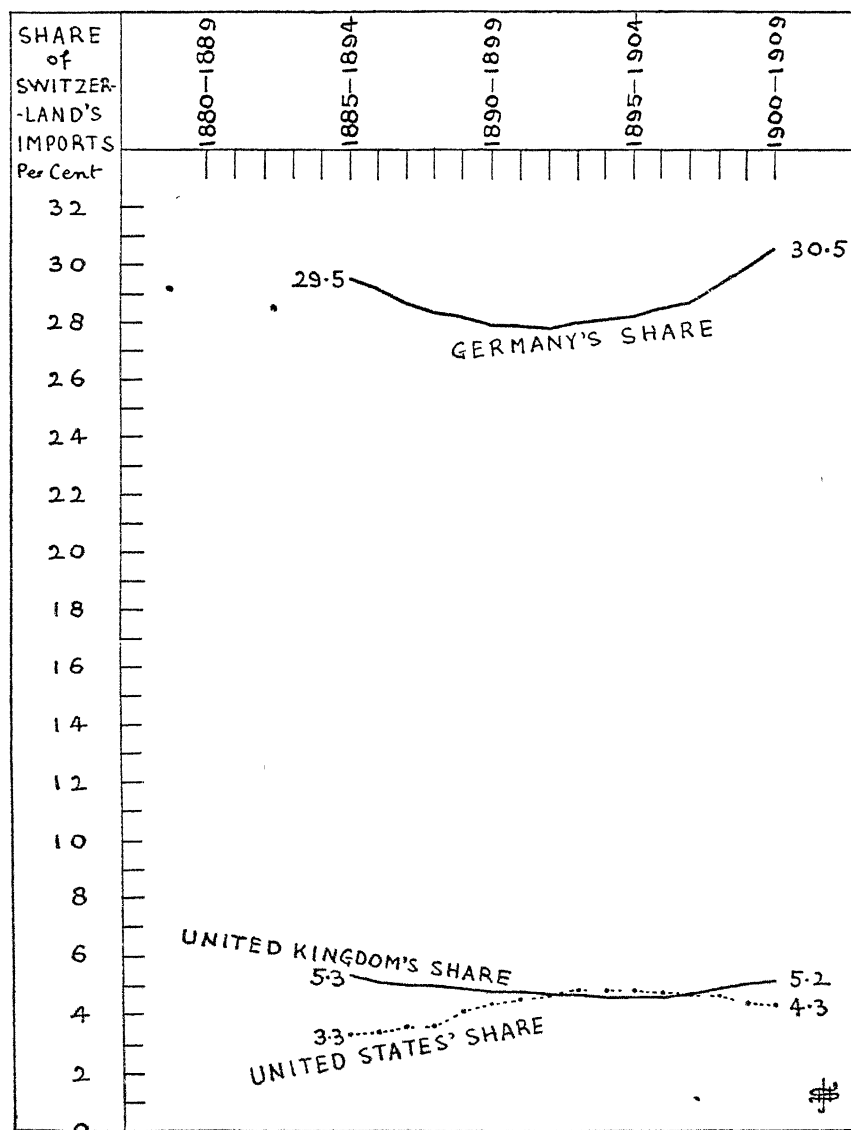
TEST. PERCENTAGE OF SWITZERLAND'S IMPORTS FROM EACH COUNTRY.

Decade	From United Kingdom.	From Germany.	From United States.	From Other Countries.	From ALL Countries.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	..	.	..	..	.
1881—1890	.	.	.	.	.
1882—1891	..	.	..	..	.
1883—1892	..	..	..	..	.
1884—1893	..	.	..	..	.
1885—1894	5.3	29.5	3.3	61.9	100.0
1886—1895	5.1	29.2	3.4	62.3	100.0
1887—1896	5.0	28.7	3.6	62.7	100.0
1888—1897	5.0	28.3	3.6	63.1	100.0
1889—1898	4.9	28.2	4.1	62.8	100.0
1890—1899	4.8	27.9	4.3	63.0	100.0
1891—1900	4.8	27.9	4.5	62.8	100.0
1892—1901	4.7	27.8	4.7	62.8	100.0
1893—1902	4.7	28.0	4.8	62.5	100.0
1894—1903	4.6	28.1	4.8	62.5	100.0
1895—1904	4.6	28.2	4.8	62.4	100.0
1896—1905	4.6	28.5	4.7	62.2	100.0
1897—1906	4.7	28.7	4.7	61.9	100.0
1898—1907	4.9	29.3	4.6	61.2	100.0
1899—1908	5.1	29.9	4.4	60.6	100.0
1900—1909	5.2	30.5	4.3	60.0	100.0

Not recorded before the year 1885. Including Bullion and Specie, relatively trivial.
 25 Francs to the £.

FALL IN OUR SHARE OF SWISS IMPORTS 283

DIAGRAM LV.—SEE TABLE 134. SHARE OF SWITZERLAND'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Switzerland's Imports were not recorded before the year 1885 as regards the country of origin.

Example.—During the first decade, the United Kingdom supplied Switzerland with £5.3 per £100 of Switzerland's imports; during the last decade, our share was £5.2 per £100, with an intervening fall.

TABLE 135.—SPAIN'S GENERAL * IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill Pesetas	Mill Pesetas.	Mill Pesetas	Mill Pesetas	Mill Pesetas
1880—1889	142	74	92	479	787
1881—1890	148	75	91	496	810
1882—1891	158	74	91	523	846
1883—1892	161	68	91	530	850
1884—1893	157	61	90	530	838
1885—1894	156	54	90	540	840
1886—1895	160	48	90	549	847
1887—1896	164	42	87	560	853
1888—1897	168	39	87	569	863
1889—1898	170	38	89	566	863
1890—1899	178	39	91	573	881
1891—1900	184	42	94	566	886
1892—1901	180	46	97	555	878
1893—1902	179	53	99	554	885
1894—1903	182	60	103	561	906
1895—1904	184	67	103	567	921
1896—1905	185	73	107	581	946
1897—1906	188	77	114	581	960
1898—1907	190	82	117	580	969
1899—1908	196	88	122	598	1004
1900—1909	196	91	124	592	1003

A Rise A Fall, with Recovery A Fall, and then a Rise A Rise A Rise

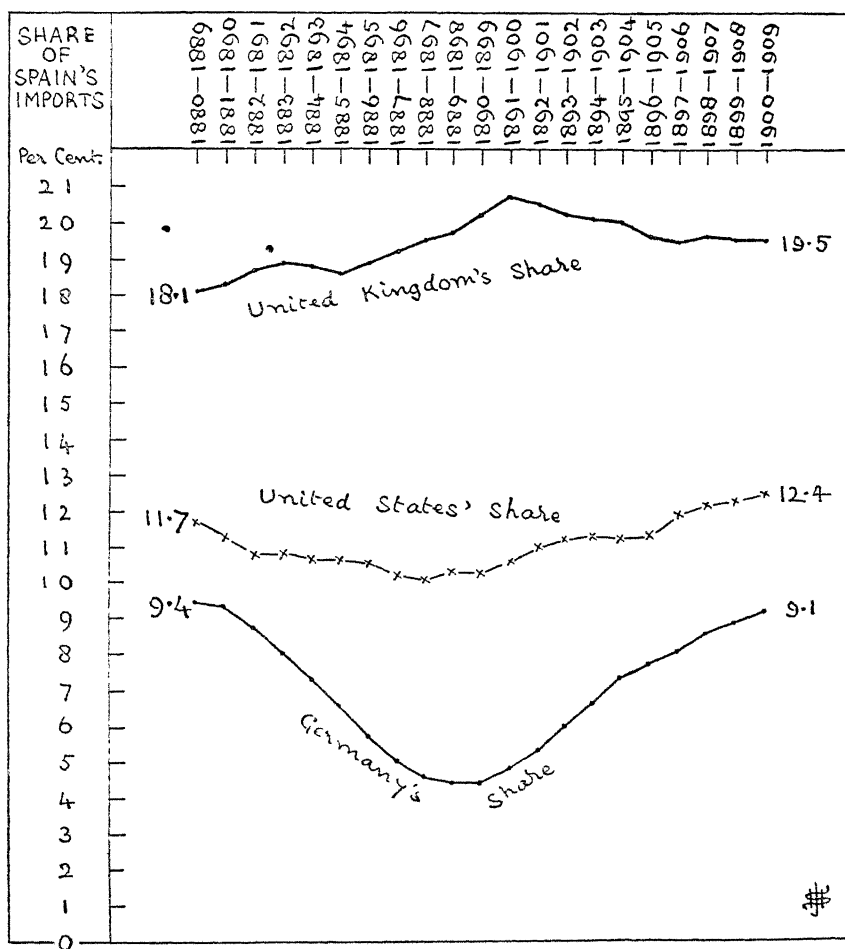
TEST. PERCENTAGE OF SPAIN'S IMPORTS FROM EACH COUNTRY.					
Decade	From United Kingdom.	From Germany.	From United States	From Other Countries	From ALL Countries.
	Per cent.	Per cent	Per cent.	Per cent	Per cent
1880—1889	18.1	9.4	11.7	60.8	100.0
1881—1890	18.3	9.3	11.3	61.1	100.0
1882—1891	18.7	8.7	10.8	61.8	100.0
1883—1892	18.9	8.0	10.8	62.3	100.0
1884—1893	18.8	7.3	10.7	63.2	100.0
1885—1894	18.6	6.6	10.7	64.1	100.0
1886—1895	18.9	5.7	10.6	64.8	100.0
1887—1896	19.2	5.0	10.2	65.6	100.0
1888—1897	19.5	4.6	10.1	65.8	100.0
1889—1898	19.7	4.4	10.3	65.6	100.0
1890—1899	20.2	4.4	10.3	65.1	100.0
1891—1900	20.7	4.8	10.6	63.9	100.0
1892—1901	20.5	5.3	11.0	63.2	100.0
1893—1902	20.2	6.0	11.2	62.6	100.0
1894—1903	20.1	6.6	11.3	62.0	100.0
1895—1904	20.0	7.3	11.2	61.5	100.0
1896—1905	19.6	7.7	11.3	61.4	100.0
1897—1906	19.5	8.0	11.9	60.6	100.0
1898—1907	19.6	8.5	12.1	59.8	100.0
1899—1908	19.5	8.8	12.2	59.5	100.0
1900—1909	19.5	9.1	12.4	59.0	100.0

A Rise, and then a Fall A Fall, with partial Recovery A Fall, and then a Rise A Rise, and then a Fall

* Special Imports are not recorded as to country of origin. Including Bullion and Specie, relatively trivial. 25 Pesetas to the £.

RISE IN OUR SHARE OF SPAIN'S IMPORTS 285

DIAGRAM LVI—SEE TABLE 135. SHARE OF SPAIN'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Spain is the first instance where the United Kingdom has held or improved its position as a seller in a Foreign Market.

Example.—During the first decade, the United Kingdom supplied Spain with £18.1 per £100 of Spain's imports; during the last decade, our share was £19.5 per £100. But our share has been on the down-grade since the decade 1891-1900, and the shares of the United States and of Germany are on the up-grade.

TABLE 136 —THE ARGENTINE REPUBLIC'S SPECIAL IMPORTS, 1880-1909
Yearly Averages during each Decade.

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries.
	Mill Pesos Oro	Mill Pesos Oro	Mill. Pesos Oro	Mill Pesos Oro	Mill Pesos Oro
1880—1889	31.4	8.3	7.7	45.6	93
1881—1890	35.9	9.3	8.4	49.4	103
1882—1891	37.2	9.5	8.3	49.0	104
1883—1892	38.8	10.1	8.5	49.6	107
1884—1893	38.9	10.5	9.0	50.6	109
1885—1894	39.2	10.7	9.2	49.9	109
1886—1895	39.6	11.1	9.2	49.1	109
1887—1896	40.7	11.7	9.5	49.1	111
1888—1897	40.9	11.6	9.4	47.1	109
1889—1898	40.4	11.5	9.6	45.5	107
1890—1899	39.1	11.3	9.4	42.2	102
1891—1900	37.2	11.7	9.8	40.3	99
1892—1901	38.0	12.8	11.1	42.1	104
1893—1902	38.1	13.0	11.6	42.3	105
1894—1903	39.3	13.6	12.4	42.7	108
1895—1904	42.5	15.0	13.8	46.7	118
1896—1905	45.4	16.8	16.0	50.8	129
1897—1906	50.4	19.3	18.8	56.5	145
1898—1907	56.5	22.7	21.7	62.1	163
1899—1908	62.0	25.2	24.2	68.6	180
1900—1909	67.5	28.4	26.9	76.2	199

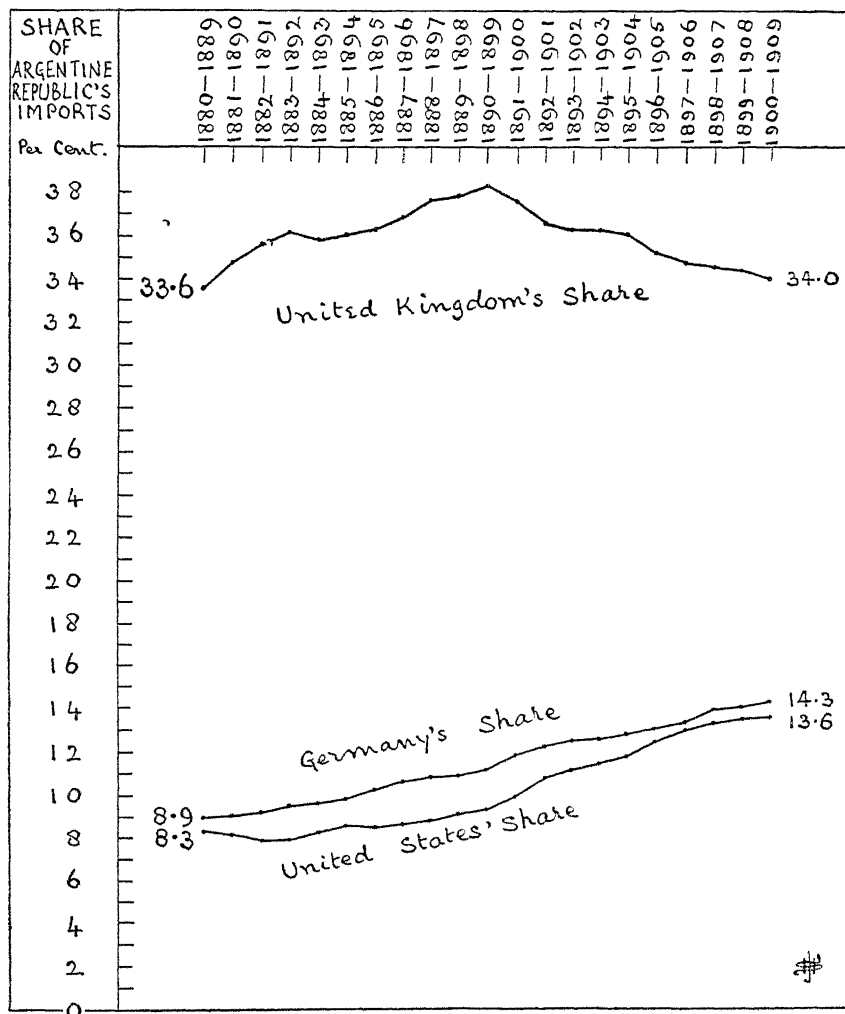
TEST. PERCENTAGE OF THE ARGENTINE REPUBLIC'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom.	From Germany.	From United States.	From Other Countries.	From ALL Countries
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	33.6	8.9	8.3	49.2	100.0
1881—1890	34.8	9.0	8.1	48.1	100.0
1882—1891	35.6	9.1	7.9	47.4	100.0
1883—1892	36.1	9.4	7.9	46.6	100.0
1884—1893	35.8	9.6	8.2	46.4	100.0
1885—1894	36.0	9.8	8.5	45.7	100.0
1886—1895	36.3	10.2	8.4	45.1	100.0
1887—1896	36.8	10.6	8.6	44.0	100.0
1888—1897	37.6	10.7	8.7	43.0	100.0
1889—1898	37.8	10.8	9.0	42.4	100.0
1890—1899	38.3	11.1	9.3	41.3	100.0
1891—1900	37.5	11.8	9.9	40.8	100.0
1892—1901	36.6	12.3	10.7	40.4	100.0
1893—1902	36.3	12.4	11.1	40.2	100.0
1894—1903	36.3	12.6	11.4	39.7	100.0
1895—1904	36.0	12.7	11.7	39.6	100.0
1896—1905	35.2	13.0	12.4	39.4	100.0
1897—1906	34.8	13.3	13.0	38.9	100.0
1898—1907	34.6	13.9	13.3	38.2	100.0
1899—1908	34.4	14.0	13.4	38.2	100.0
1900—1909	34.0	14.3	13.6	38.1	100.0

The above official values are stated to be 25 per cent. below the real values. Including Special Imports of Silver Bullion, relatively trivial. 5 Pesos Oro to the £.

RISE IN OUR SHARE OF ARGENTINA'S IMPORTS 287

DIAGRAM LVII.—SEE TABLE 136. SHARE OF THE ARGENTINE REPUBLIC'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Argentine Republic is the second instance where the United Kingdom has held or improved its position as a seller in a Foreign Market. But Germany and the United States have each made more advance than the United Kingdom in the markets of the Argentine Republic. Moreover, our share has been on the down-grade since the decade 1890-1899.

TABLE 137 —DENMARK'S GENERAL* IMPORTS, 1880-1909
Yearly Averages during each Decade.

Decade	From United Kingdom	From Germany.	From United States.	From Other Countries.	From ALL Countries
	Mill Kroner	Mill Kroner	Mill Kroner	Mill Kroner	Mill Kroner
1880—1889	59.4	93.0	14.9	90.7	258
1881—1890	60.9	95.0	15.2	94.9	266
1882—1891	61.9	97.0	15.3	100.8	275
1883—1892	62.8	97.7	17.0	104.5	282
1884—1893	63.2	98.5	17.3	106.0	285
1885—1894	63.8	100.5	17.1	111.6	293
1886—1895	65.4	103.3	16.5	118.8	304
1887—1896	68.4	108.3	16.9	127.4	321
1888—1897	70.6	112.1	20.2	135.1	338
1889—1898	74.0	115.5	25.6	141.9	357
1890—1899	76.8	119.9	32.1	147.2	376
1891—1900	80.8	125.3	37.7	154.2	398
1892—1901	82.7	128.9	44.5	158.9	415
1893—1902	84.7	135.1	48.8	170.4	439
1894—1903	87.3	143.1	54.8	179.8	465
1895—1904	89.4	152.6	60.9	187.1	490
1896—1905	92.4	161.1	69.9	192.6	516
1897—1906	95.6	171.9	81.0	201.5	550
1898—1907	101.2	184.8	88.6	213.4	588
1899—1908	102.5	195.2	93.5	221.8	613
1900—1909	103.8	206.4	94.3	231.5	636

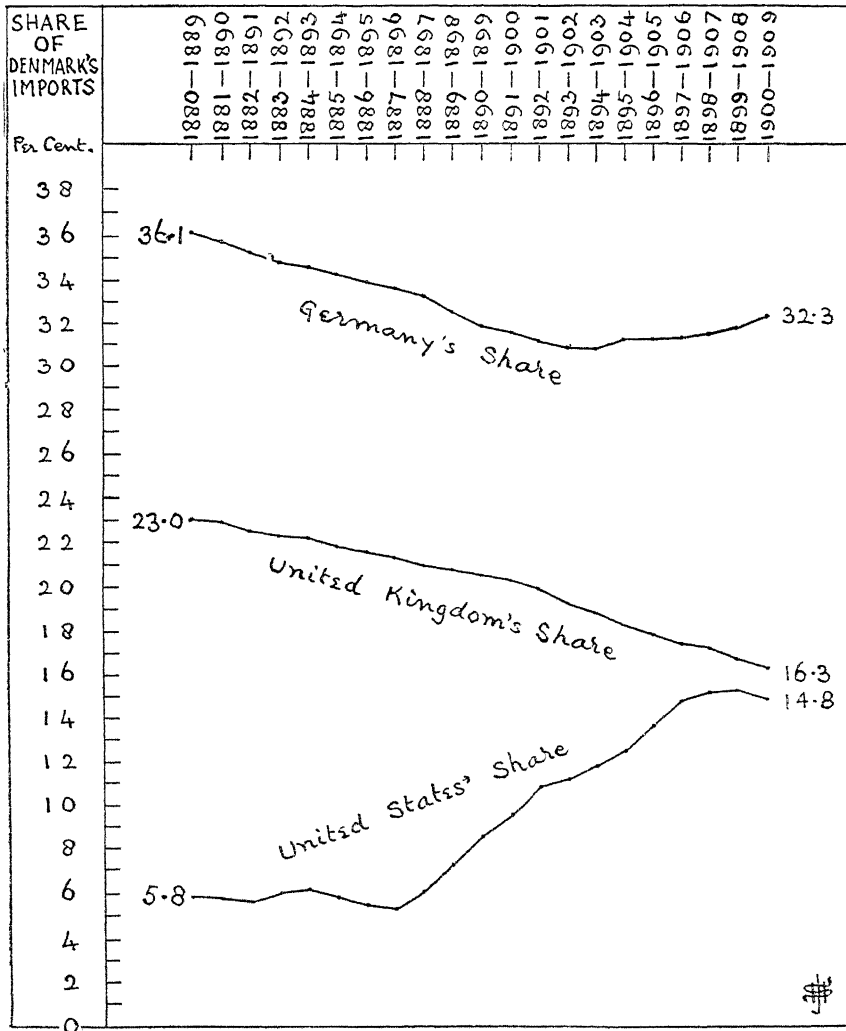
TEST. PERCENTAGE OF DENMARK'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom	From Germany.	From United States.	From Other Countries.	From ALL Countries.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	23.0	36.1	5.8	35.1	100.0
1881—1890	22.9	35.7	5.7	35.7	100.0
1882—1891	22.5	35.3	5.6	36.6	100.0
1883—1892	22.3	34.7	6.0	37.0	100.0
1884—1893	22.2	34.6	6.1	37.1	100.0
1885—1894	21.8	34.2	5.8	38.2	100.0
1886—1895	21.5	33.9	5.4	39.2	100.0
1887—1896	21.3	33.6	5.3	39.8	100.0
1888—1897	20.9	33.2	6.0	39.9	100.0
1889—1898	20.7	32.5	7.2	39.6	100.0
1890—1899	20.4	31.9	8.5	39.2	100.0
1891—1900	20.3	31.5	9.5	38.7	100.0
1892—1901	19.9	31.1	10.7	38.3	100.0
1893—1902	19.3	30.8	11.1	38.8	100.0
1894—1903	18.8	30.7	11.8	38.7	100.0
1895—1904	18.2	31.2	12.4	38.2	100.0
1896—1905	17.9	31.2	13.6	37.3	100.0
1897—1906	17.4	31.3	14.7	36.6	100.0
1898—1907	17.2	31.4	15.1	36.3	100.0
1899—1908	16.7	31.8	15.2	36.3	100.0
1900—1909	16.3	32.3	14.8	36.6	100.0

* Special Imports not recorded as to country*of origin. 18 Kroner to the £.

FALL IN OUR SHARE OF DENMARK'S IMPORTS 289

DIAGRAM LVIII.—SEE TABLE 137. SHARE OF DENMARK'S IMPORTS
1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied £23 per £100 of Denmark's imports from All Countries; during the last decade, our share was only £16.3 per £100. The United States are rapidly catching up the United Kingdom as a seller to Denmark.

TABLE 133.—SWEDEN'S SPECIAL IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Mill. Kronor.	Mill. Kronor	Mill. Kronor	Mill. Kronor	Mill. Kronor
1880—1889	84	90	8	135	317
1881—1890	88	95	7	136	326
1882—1891	90	99	8	138	335
1883—1892	92	103	8	138	341
1884—1893	92	105	8	136	341
1885—1894	93	108	9	133	343
1886—1895	94	109	9	132	344
1887—1896	96	112	9	132	349
1888—1897	101	117	9	133	360
1889—1898	105	123	10	135	373
1890—1899	110	130	10	136	386
1891—1900	117	137	11	137	402
1892—1901	120	142	10	140	412
1893—1902	123	150	10	143	426
1894—1903	129	159	10	148	446
1895—1904	134	169	10	156	469
1896—1905	138	180	13	162	493
1897—1906	145	192	18	166	521
1898—1907	150	202	24	173	549
1899—1908	152	208	29	175	564
1900—1909	154	213	33	178	578

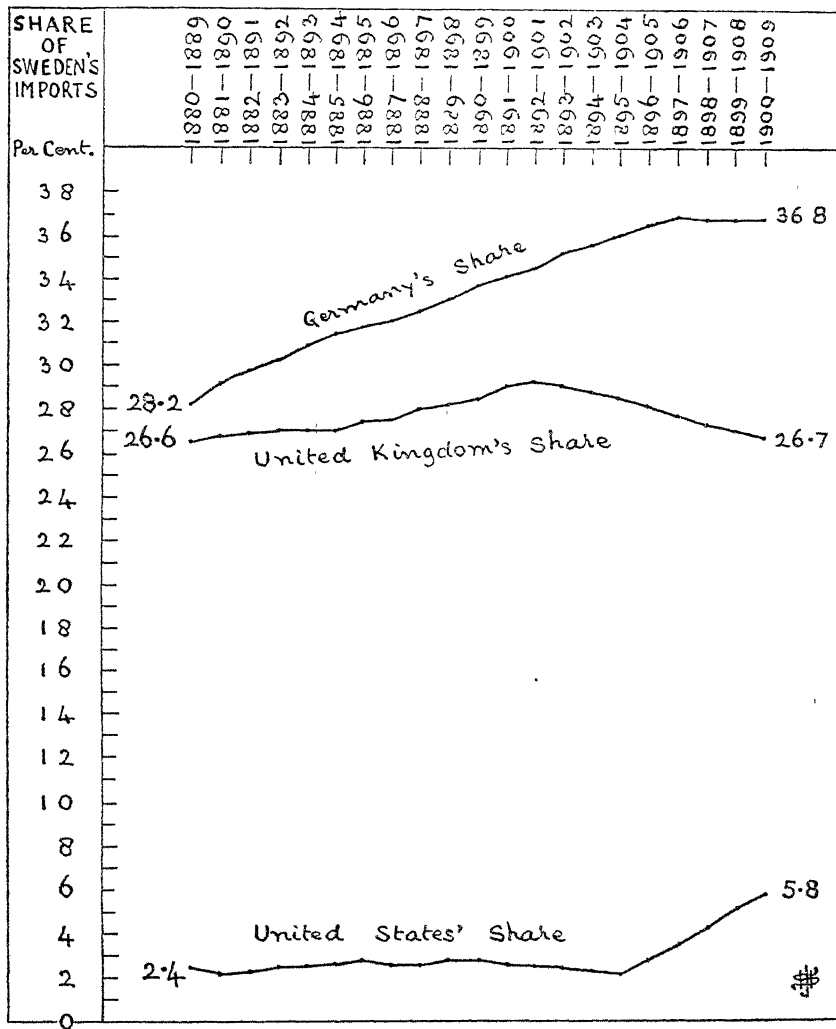
TEST. PERCENTAGE OF SWEDEN'S IMPORTS FROM EACH COUNTRY.

Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Per cent	Per cent.	Per cent.	Per cent	Per cent.
1880—1889	26.6	28.2	2.4	42.8	100.0
1881—1890	26.8	29.1	2.2	41.9	100.0
1882—1891	26.9	29.7	2.3	41.1	100.0
1883—1892	27.0	30.3	2.4	40.3	100.0
1884—1893	27.0	30.9	2.5	39.6	100.0
1885—1894	27.0	31.4	2.6	39.0	100.0
1886—1895	27.4	31.7	2.7	38.2	100.0
1887—1896	27.5	32.0	2.6	37.9	100.0
1888—1897	28.0	32.5	2.6	36.9	100.0
1889—1898	28.2	33.0	2.7	36.1	100.0
1890—1899	28.4	33.7	2.7	35.2	100.0
1891—1900	29.0	34.1	2.6	34.3	100.0
1892—1901	29.2	34.5	2.5	33.8	100.0
1893—1902	29.0	35.2	2.4	33.4	100.0
1894—1903	28.8	35.6	2.3	33.3	100.0
1895—1904	28.5	36.0	2.1	33.4	100.0
1896—1905	28.1	36.5	2.7	32.7	100.0
1897—1906	27.8	36.9	3.5	31.8	100.0
1898—1907	27.4	36.8	4.3	31.5	100.0
1899—1908	27.0	36.8	5.1	31.1	100.0
1900—1909	26.7	36.8	5.8	30.7	100.0

Including Bullion and Specie, relatively trivial. 18 Kronor to the £.

RISE IN OUR SHARE OF SWEDEN'S IMPORTS 291

DIAGRAM LIX—SEE TABLE 138 SHARE OF SWEDEN'S IMPORTS,
1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—Sweden is the third instance where the United Kingdom has held or improved its position as a seller. But Germany's share, as a seller to Sweden, has increased much more than our share; moreover, our position has been on the down-grade since the decade 1892-1901.

TABLE 139.—NORWAY'S GENERAL * IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	From United Kingdom	From Germany.	From United States.	From Other Countries.	From ALL Countries.
	Mill Kroner.	Mill Kroner	Mill Kroner	Mill Kroner	Mill Kroner.
1880—1889	42·3	43·2	5·5	65·0	156
1881—1890	44·8	44·8	6·2	66·2	162
1882—1891	46·8	45·9	7·4	67·9	168
1883—1892	47·8	46·4	8·1	69·7	172
1884—1893	49·1	47·3	8·5	71·1	176
1885—1894	50·7	48·4	8·8	73·1	181
1886—1895	53·4	50·1	8·8	75·7	188
1887—1896	56·2	52·7	9·3	80·8	199
1888—1897	59·4	56·3	9·8	86·5	212
1889—1898	63·1	60·2	10·6	90·1	224
1890—1899	66·0	64·2	11·7	94·1	236
1891—1900	68·7	67·2	12·5	97·6	246
1892—1901	70·3	69·3	12·9	99·5	252
1893—1902	72·7	71·7	13·2	104·4	262
1894—1903	73·9	74·1	13·3	108·7	270
1895—1904	75·6	76·8	13·4	113·2	279
1896—1905	77·0	79·6	13·4	118·0	288
1897—1906	80·3	82·1	13·7	121·9	298
1898—1907	84·0	85·1	13·9	127·0	310
1899—1908	85·3	88·0	14·3	132·4	320
1900—1909	85·4	90·9	15·2	136·5	328

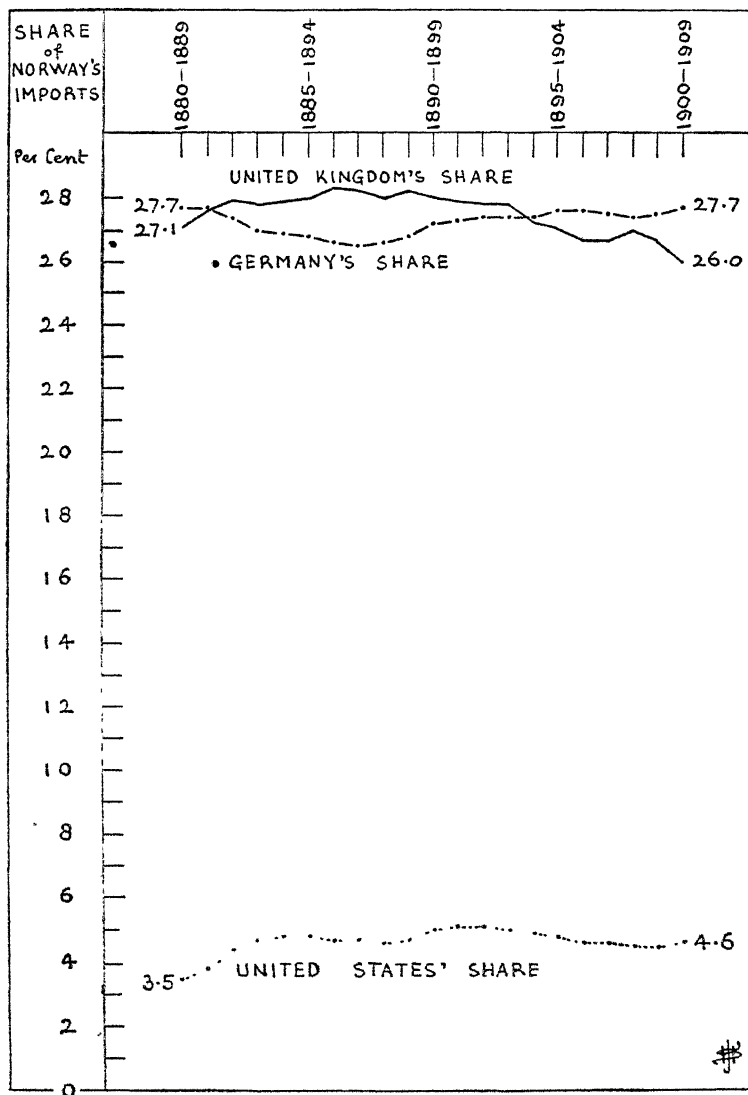
TEST. PERCENTAGE OF NORWAY'S IMPORTS FROM EACH COUNTRY.

Decade.	From United Kingdom	From Germany	From United States.	From Other Countries.	From ALL Countries
	Per cent.	Per cent.	Per cent	Per cent	Per cent
1880—1889	27·1	27·7	3·5	41·7	100·0
1881—1890	27·6	27·7	3·8	40·9	100·0
1882—1891	27·9	27·4	4·4	40·3	100·0
1883—1892	27·8	27·0	4·7	40·5	100·0
1884—1893	27·9	26·9	4·8	40·4	100·0
1885—1894	28·0	26·8	4·8	40·4	100·0
1886—1895	28·3	26·6	4·7	40·4	100·0
1887—1896	28·2	26·5	4·7	40·6	100·0
1888—1897	28·0	26·6	4·6	40·8	100·0
1889—1898	28·2	26·8	4·7	40·3	100·0
1890—1899	28·0	27·2	5·0	39·8	100·0
1891—1900	27·9	27·3	5·1	39·7	100·0
1892—1901	27·8	27·4	5·1	39·7	100·0
1893—1902	27·8	27·4	5·0	39·8	100·0
1894—1903	27·3	27·4	4·9	40·4	100·0
1895—1904	27·1	27·6	4·8	40·5	100·0
1896—1905	26·7	27·6	4·6	41·1	100·0
1897—1906	26·7	27·5	4·6	41·2	100·0
1898—1907	27·0	27·4	4·5	41·1	100·0
1899—1908	26·7	27·5	4·5	41·3	100·0
1900—1909	26·0	27·7	4·6	41·7	100·0

* Special Imports are not recorded as to country of origin. 18 Kroner to the £.

FALL IN OUR SHARE OF NORWAY'S IMPORTS 293

DIAGRAM LX.—SEE TABLE 139. SHARE OF NORWAY'S IMPORTS,
1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied Norway with £27.1 per £100 of Norway's imports; during the last decade, with £26 per £100. Germany passed the United Kingdom in the decade 1894-1903.

TABLE 140 —ROUMANIA'S GENERAL * IMPORTS, 1880-1909 *Yearly*
Averages during each Decade

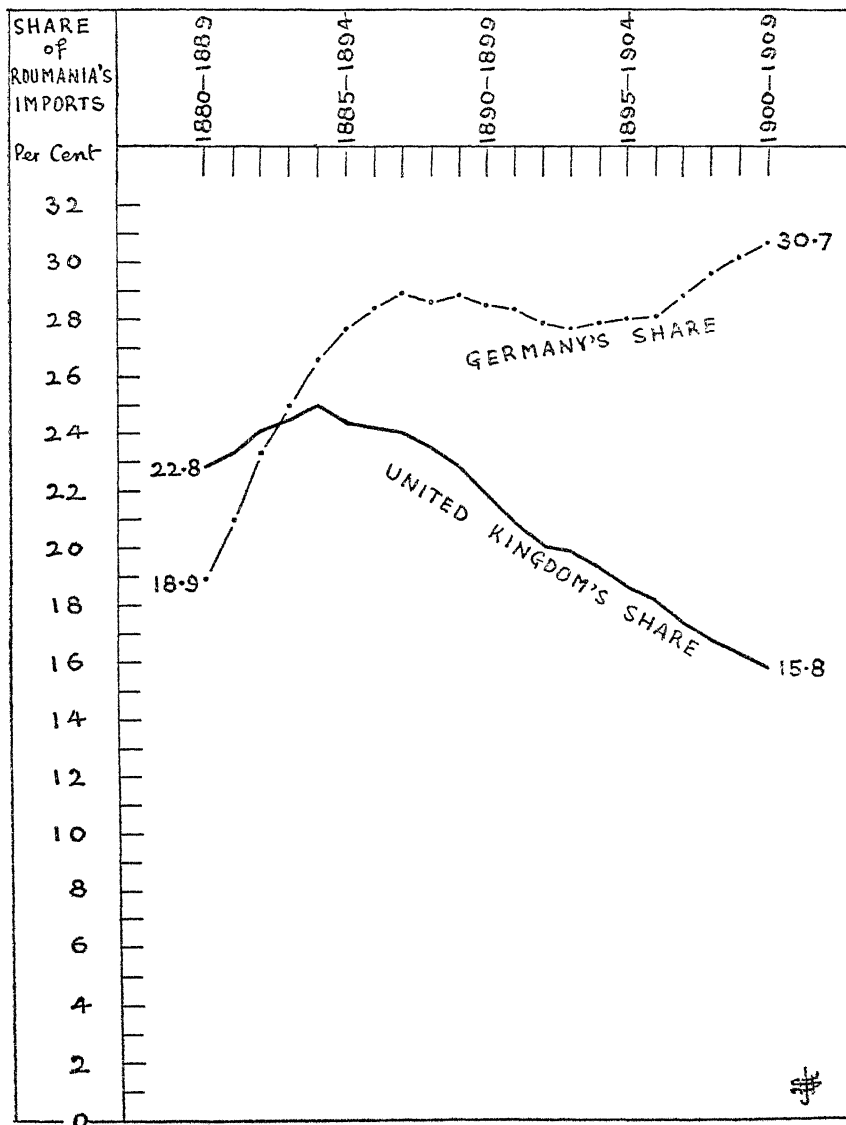
Decade	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Million Lei	Million Lei.	Million Lei	Million Lei	Million Lei.
1880—1889	68·7	57 0	Not separately recorded. Included in the next column.	175·3	301
1881—1890	72 8	65·5		173·7	312
1882—1891	79 2	76 3		172·5	328
1883—1892	83·0	84 6		171·4	339
1884—1893	84·6	92 0		169·4	346
1885—1894	87 2	99·4		172 4	359
1886—1895	87 9	103·3		171·8	363
1887—1896	88·1	105·5		173·4	367
1888—1897	87·3	106·4		177·3	371
1889—1898	86 4	109·2		183·4	379
1890—1899	82·2	107·4		186·4	376
1891—1900	75·5	102 1		183·4	361
1892—1901	69 7	96·6		179·7	346
1893—1902	66·8	93·2		177·0	337
1894—1903	61·7	89·3		170·0	321
1895—1904	57·8	86·8		165·4	310
1896—1905	57·0	87·8		168·2	313
1897—1906	56·0	92·5		172 5	321
1898—1907	55·1	97·3		176 6	329
1899—1908	54·1	100·4		176·5	331
1900—1909	55·1	107·1		186·8	349

TEST. PERCENTAGE OF ROUMANIA'S IMPORTS FROM EACH COUNTRY.					
Decade.	From United Kingdom	From Germany	From United States	From Other Countries	From ALL Countries
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1880—1889	22·8	18 9	Not separately recorded. Included in the next column.	58·3	100·0
1881—1890	23·3	21·0		55·7	100·0
1882—1891	24·1	23·3		52·6	100·0
1883—1892	24·5	25·0		50·5	100·0
1884—1893	25·0	26·6		48·4	100·0
1885—1894	24 3	27·7		48·0	100·0
1886—1895	24·2	28·4		47·4	100·0
1887—1896	24·0	28·9		47·1	100·0
1888—1897	23·5	28·6		47·9	100·0
1889—1898	22·8	28·8		48·4	100·0
1890—1899	21·9	28·5		49·6	100·0
1891—1900	20·9	28·3		50·8	100·0
1892—1901	20·1	27·9		52·0	100 0
1893—1902	19·9	27·7		52·4	100·0
1894—1903	19·3	27·9		52·8	100·0
1895—1904	18·7	28·0		53·3	100·0
1896—1905	18·2	28·1		53·7	100·0
1897—1906	17·4	28·8		53·8	100·0
1898—1907	16·8	29·6		53·6	100·0
1899—1908	16·3	30·2		53·5	100·0
1900—1909	15·8	30·7		53·5	100·0

* Special Imports are not recorded as to country of origin. 25 Lei to the £.

FALL IN OUR SHARE OF ROUMANIA'S IMPORTS 295

DIAGRAM LXI.—SEE TABLE 140. SHARE OF ROUMANIA'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*

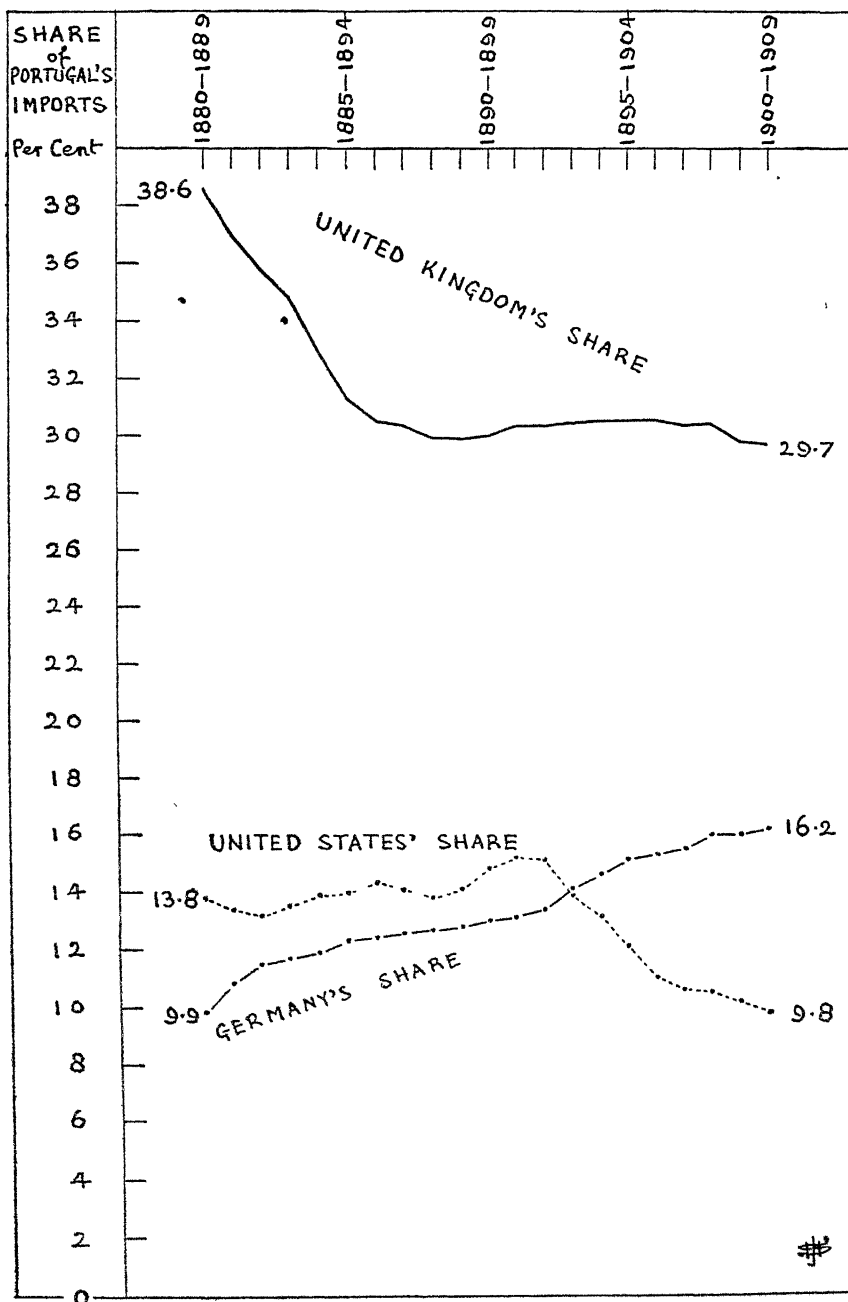


Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied Roumania with £22.8 per £100 of Roumania's imports; during the last decade, with £15.8 per £100. Germany passed the United Kingdom in the decade 1888-1892.

FALL IN OUR SHARE OF PORTUGAL'S IMPORTS 297

DIAGRAM LXII—SEE TABLE 141. SHARE OF PORTUGAL'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied Portugal with £38.6 per £100 of Portugal's imports ; during the last decade, with £29.7 per £100.

Continued from page 261.

We may now look at some of the results disclosed in Tables 124-141.

GERMANY'S IMPORTS, Table 124 :—Looking at the top part of Table 124, and seeing the nearly continuous rise in Germany's imports from the United Kingdom, a casual observer might draw the conclusion that our sales to Germany have been wholly progressive. Germany's imports from us rose from 469 million marks yearly during the first decade to 698 million marks yearly during the last decade. But now look at Germany's purchases from the United States. These rose from 149 million marks to 1085 million marks yearly.

During the first decade, we were far ahead of the United States as a seller in the markets of Germany. During the last decade, the United States had left us far behind as a seller in German markets. The United States passed us, in the German market, in the decade 1891-1900.

Now look at the lower part of Table 124. Our share in the supply of Germany's imports has fallen nearly continuously from 14·8 per cent. to 10·1 per cent. During the first decade we supplied Germany with £14·8 per £100 of her purchases, and during the last decade with only £10·1 per £100. Simultaneously with our loss of position in German markets the United States increased its position from 4·7 per cent. to 15·7 per cent. of Germany's purchases.

One reason of this notable change is probably that the United States by means of its tariff is able to negotiate with Germany. But as we give to Germany for nothing a free or open access to our home market in the United Kingdom, we have no means for negotiating with Germany for the less stringent taxation of our goods when they enter Germany.

We have seen that the first market we examine makes quite clear the necessity to look outside of our own trade returns. By the latter, we seem to have been doing very

well as regards our sales to Germany; but when we apply to our foreign commerce this wider and more valuable test of Table 124, we find that for many years we have been losing position as a seller in the markets of Germany.

THE UNITED STATES' IMPORTS, Table 125:—As the United States are the biggest foreign customer of the United Kingdom, it is specially interesting to see in Table 125 the loss or gain of position by us in the markets of the United States.

Looking at the upper part of Table 125, we see that throughout the greater part of the period, the United States' purchases from the United Kingdom largely declined in actual volume. These purchases from us were valued at 174 million dollars yearly during the first decade, and they fell to their lowest point of 147 million dollars yearly during the decade 1892-1901. Since then, United States' purchases from us have been increasing in actual amount, reaching in the last decade rather more than their level of the decade 1880-1889. This is a very poor result. Table 125 shows the vast increase in United States' imports from All Countries, and it is clear that not only have we failed to get our share as a seller of the largely increased imports of the United States, but also, we have wholly failed to maintain our actual sales to the United States upon their level of the first decade.

Germany has steadily increased her actual share of the United States' imports, from 66 to 123 million dollars yearly. While the group "Other Countries," a group that contains various trade-rivals of the United Kingdom, has increased as a seller in the markets of the United States, from 440 to 779 million dollars yearly.

Thus, although the United States have been and are our best foreign customer, we see plainly that we have largely failed to share in the great expansion of the buying-power of the United States.

Now look at the lower part of Table 125.

During the first decade, we supplied to the United States 25·6 per cent. of the United States' imports from All Sources ; during the last decade, our share was only 17·1 per cent. Germany's share rose, and so did the position of Other Countries as sellers of merchandise in the United States.

These results are the more unsatisfactory because beginning with the year 1904 we experienced a series of boom-years of our foreign commerce, notably in our export trade. The year 1907, for example, witnessed the rise of our Special Exports to the record amount of 426 million £, an amount only 4 million £ short of the total of 430 million £ for the year 1910. Table 125 includes this run of boom-years, 1904-1907, but despite this fact, we have the clearest evidence that we continued to lose position as a seller in the markets of the United States. See the lower part of Table 125. Thus even when our export trade is booming, even when, as in the upper part of Table 125, we do increase our actual sales to this or to that foreign country, we simultaneously continue to lose position as a seller relatively to the position of our trade-rivals in this or that foreign market : in other words, our expansion of foreign trade, even in boom-years, wholly fails to keep pace with the increased oversea demand for merchandise, and we are out-paced by our trade rivals.

FRANCE'S IMPORTS, Table 126 :—In the French market, their purchases from us were 601 million francs yearly during the first decade ; this amount fell to a minimum of 525 million francs yearly during the decade 1889-1898. A rise then set in, resulting in France's imports from the United Kingdom reaching 683 million francs yearly during the last decade of Table 126.

From the first to the last decade, and ignoring the large intervening fall, the increase in France's imports from us was 82 million francs yearly. The increase in France's imports from Germany was 114 million francs yearly ; and from the

United States, France's purchases rose by 187 million francs yearly.

Look at the lower part of Table 126. The fall in our position as a seller in French markets has been much smaller than our loss of position in Germany (Table 124) or in the United States (Table 125); but we have not been able to maintain our position as a seller in France upon the level of the decade 1880-1889. Both Germany and the United States have gained position as sellers in the markets of France.

HOLLAND'S IMPORTS, Table 127:—These are stated to be imports by Holland for consumption in Holland; but it is probable that a part of these imports relates to imports in transit through Holland.

Dutch imports from the United Kingdom were 272 million gulden yearly during the first decade; they fell to 259 million gulden yearly during 1895-1904. A rise then set in, and the total reached in the last decade of Table 127 was slightly above the level of the first decade 1880-1889—with a large intervening fall in Holland's imports from us.

From the first to the last decade, the rise was 5 million gulden yearly. The rise in Holland's imports from Germany was 291 million gulden yearly. The rise in Holland's imports from the United States was 210 million gulden yearly. Despite the recent rise in Holland's actual purchases from the United Kingdom, it is most clearly evident that we have largely failed to keep our position as a seller in the markets of Holland.

The lower part of Table 127 shows that during the first decade we supplied Holland with 25·2 per cent. of Holland's imports from All Sources. During the last decade, our share was only 11·2 per cent.

During the first decade, we were nearly on a level with Germany as a supplier of Holland's needs, and we were then far ahead of the United States as a seller in Holland. But during the last decade of Table 127, Germany had left

us far behind, and the United States were on a level with us as a seller in the markets of Holland. The group Other Countries also largely gained selling-power in Dutch markets.

CHINA'S IMPORTS, Table 128 :—The large rise in China's actual imports from the United Kingdom, seen in the top part of the table, is another instance of the short-sightedness of looking only at actual results in place of supplementing the latter view by looking at comparative results. For if we look only at these actual results in the top part of Table 128, we should form the opinion that our position as a seller in China has been highly satisfactory. The actual rise from the first to the last decade in China's purchases from us was 41·4 million Haikwan taels yearly. The rise in China's imports from the Continent of Europe (except Russia) was 23·2 million Haikwan taels yearly. The rise in China's purchases from the United States was 32·6 million Haikwan taels yearly; and the rise in China's imports from the group Other Countries was 177·8 million Haikwan taels yearly.

Now look at the comparative results in the test-part of Table 128. During the first decade, we supplied China with 23·9 per cent. of China's imports from All Sources. The fall in our position as a seller in China's markets was nearly continuous, and during the last decade we supplied China with only 17·3 per cent. of China's imports.

It is obvious that even in such a stronghold of British Trade as China, we have for many years been losing position as a seller, relatively to the position gained by rival sellers in the markets of China.

BELGIUM'S IMPORTS, Table 129 :—The increase in Belgium's purchases from us, taking the first and the last decade, was 101 million francs yearly. The increase in Belgium's imports from Germany was 196 million francs yearly. Belgium increased her purchases from the United States by 116

million francs yearly; and from the group Other Countries Belgium increased her imports by 966 million francs yearly.

In the first decade and up to 1889-1898, we were ahead of Germany. Germany passed us as a seller in Belgian markets in the decade 1891-1900, and since then has gone rapidly ahead of the United Kingdom.

From a position of inferiority to us, the United States has reached our level as a seller in Belgium. In some recent decades, as Table 129 shows, the United States have actually passed us. Our "spurt," due to recent boom-years of our foreign trade, has at the end of the period enabled us again to get slightly ahead of the United States as a seller in Belgian markets.

The lower part of Table 129 shows a considerable loss of position by us in the markets of Belgium. Germany has gained position. The United States, after a gain of position, have of late slightly dropped back. The group Other Countries has gained position.

ITALY'S IMPORTS, Table 130 :—Italy's actual purchases from us have increased of late, after a prolonged fall. From the first to the last decade, and ignoring this prolonged fall, the increase in Italy's imports from the United Kingdom was 85 million lire yearly. The increase in Italy's purchases from Germany was 218 million lire yearly. The increase in Italy's purchases from the United States was 219 million lire yearly. Moreover, in the case of Germany and of the United States, Italy's purchases were nearly constantly progressive throughout the whole period. Whereas, as regards the United Kingdom, Italy's purchases declined throughout the greater part of the long period covered by Table 130.

The test part of Table 130 shows quite clearly that for many years we have been losing position as a seller in the markets of Italy. Our share of Italy's imports has fallen from 21·6 per cent. to 17·1 per cent.; and this fall has occurred despite the recent boom-years of our export trade.

Germany's position as a seller in Italy has much increased; and, similarly, the United States have greatly advanced their position.

AUSTRIA-HUNGARY'S IMPORTS, Table 131 :—In this market the records do not extend over the full period—they begin with the decade 1891-1900. We see a small rise in Austria-Hungary's actual imports from us: a rise of 35 million kronen yearly from the first to the last decade. The corresponding rise for Germany was 285 million kronen yearly; for the United States 97 million kronen yearly; while Austria-Hungary's imports from the group Other Countries increased by 243 million kronen yearly. The United States passed the United Kingdom in the markets of Austria-Hungary in the decade 1897-1906.

The lower part of Table 131 shows a fall in our position as a seller in Austria-Hungary; a rise in Germany's position; a rise in the position of the United States as a seller in Austro-Hungarian markets; and a fall in the position of the group Other Countries.

JAPAN'S IMPORTS, Table 132 :—In the upper part of this Table we see a large rise in Japan's actual purchases from the United Kingdom—from the first to the last decade the rise was 65·7 million yen yearly. The rise for Germany was 33·2 million yen yearly. The rise in Japan's purchases from the United States was 62·1 million yen yearly; and for Other Countries the rise was 182·9 million yen yearly.

But as is shown in the lower part of Table 132, our position as a seller to Japan has largely fallen. During the first decade we supplied Japan with 44·1 per cent. of Japan's imports from All Sources; during the last decade, our share was only 21·8 per cent., a large loss of position by us in a greatly expanded buying-market.

In this connection, and with reference to the new Japanese tariff which largely increases the Japanese import duties

levied upon our goods, it is interesting to note the remark of Count Komura—Japan's Foreign Minister—to the effect "that there is no room for a conventional tariff with Great Britain, because that country has nothing to offer in return." Quite so. Japan already possesses a free or open market for the sale of her goods in the United Kingdom, and thus there is no reason why Japan should abstain from any additional import taxation of our goods when they enter Japan. We give to Japan, and to other nations, a valuable commercial advantage. We give it for nothing. And this free gift by us automatically deprives us of the power to induce Japan, or any other nation, to abstain from additional taxation of our goods. This procedure is of great benefit to foreign nations, but it is certainly injurious to us.

The lower part of Table 132 shows that Germany and the United States have materially increased their position as sellers in Japan, simultaneously with our loss of position. The group Other Countries has also largely gained position as a seller in the markets of Japan.

RUSSIA'S IMPORTS, Table 133 :—Russia's actual purchases from us have fallen, despite the partial recovery made in recent years when our foreign commerce was booming. The fall, from the first to the last decade, was 2 million roubles yearly. On the other hand, Russia increased her purchases from Germany by 103 million roubles yearly. The detailed facts show that the latter increase set in after the Russo-German tariff treaty of the year 1894. The increase in Russia's imports from the United States was 26 million roubles yearly; and Russia increased her purchases from the group Other Countries by 116 million roubles yearly. As compared with these increases, our loss of actual sales to Russia is a bad result in connection with an important buying-country such as Russia.

The lower part of Table 133 emphasises the loss of position by us as a seller in Russia. Our share, as a supplier

of Russia's outside needs, has fallen from 23·3 to 15·3 per cent. of Russia's purchases from all sources.

Germany's position has risen, and so has the position of the United States and of the group Other Countries, while we are seriously on the down-grade as a seller in Russian markets.

SWITZERLAND'S IMPORTS, Table 134 :—Swiss imports from us have risen by 26 million francs yearly. Swiss imports from Germany have risen by 167 million francs yearly. Swiss imports from the United States have increased by 31 million francs yearly; and from the group Other Countries the rise was 297 million francs yearly. The United States, far behind us in the first decade as a seller in Swiss markets, have practically reached our level. Indeed, and as Table 134 shows, the United States passed us in some recent decades as a seller to Switzerland.

The lower part of Table 134 shows that we have lost position in Swiss markets, while Germany and the United States have gained position.

SPAIN'S IMPORTS, Table 135 :—This is the first foreign market where the United Kingdom has gained position as a seller.

Not only did Spain's actual purchases from us increase, but also we have increased our share as a seller in the markets of Spain. The position of Germany and of Other Countries has slightly fallen. The position of the United States has slightly risen.

We have to note, however, that although our position as a seller in Spain was somewhat higher in the last decade than in the first decade, yet our position in Spain has been on the down-grade since the decade 1891-1900. See the test part of Table 135. But Germany's position in Spain has been on the up-grade since the decade 1890-1899. The position of the United States as a seller in Spain is also on the up-grade.

Spain ranks twelfth on the list of foreign buying-countries. See the statement at the beginning of this chapter. It is thus a relatively small market in which we have at last found a rise in our position as a seller of merchandise.

THE ARGENTINE REPUBLIC'S IMPORTS, Table 136 :—This is the second instance where the United Kingdom has improved its position as a seller. There was a large rise in the Argentine Republic's actual purchases from us. Also, and as the lower part of Table 136 shows, there was a rise in our position as a seller in this foreign market. This rise reached its maximum in the decade 1890-1899, when we supplied the Argentine Republic with 38·3 per cent. of their imports. Since then our position has been falling constantly.

Both Germany and the United States have materially increased their position as sellers in the markets of the Argentine Republic; and their positions are on the up-grade. See the lower part of Table 136.

DENMARK'S IMPORTS, Table 137 :—Denmark's actual purchases from us increased by 44·4 million kroner yearly—taking the first and the last decade. The corresponding increase for Germany was 113·4 million kroner yearly, and for the United States 79·4 million kroner yearly.

The increase in Denmark's actual purchases from us has not enabled the United Kingdom to hold its position as a seller in the Danish market. Our position has considerably fallen, from 23·0 per cent. to only 16·3 per cent. of Denmark's imports from all sources.

Germany also has lost position as a seller in Denmark, although to a smaller extent than our loss of position. The United States have largely gained position as a seller in the Danish market, and have nearly attained our level. The United States were far below us in the first decade of Table 137. The group Other Countries has gained position in Denmark.

SWEDEN'S IMPORTS, Table 138:—Sweden is the third instance where, in a foreign buying-market, the United Kingdom has gained position as a seller of merchandise. Sweden ranks fifteenth in importance as a foreign buying-country. Swedish purchases from the United Kingdom continually increased throughout the whole period of Table 138. From the first to the last decade, the rise was 70 million kronor yearly. Sweden's imports from Germany also increased continually. There was a rise of 123 million kronor yearly, from the first to the last decade. The United States are only a small supplier of Sweden's outside purchases.

The lower part of Table 138 shows a slight but continual advance in the United Kingdom's position in Sweden's markets from the first decade up to the decade 1892-1901. Since then our position has declined, but it was slightly higher in the last decade of Table 138 than in the first decade, and so we may claim to have increased our position as a seller in Sweden.

Germany's position advanced much more than our position. Moreover, Germany's share as a supplier of Sweden's needs is on the up-grade, while our position is on the down-grade.

NORWAY'S IMPORTS, Table 139:—The top part of this table shows that throughout the whole period there has been a neck-and-neck race for supremacy in Norwegian markets between the United Kingdom and Germany. During the last seven decades Germany has established a lead over us. The United States and the group Other Countries also increased their sales to Norway.

The test part of Table 139 shows that we have slightly lost position as a seller in Norway. Germany's position remained practically constant at £27 per cent. of Norway's imports.

In Norway, as in several of the other small foreign markets, our loss of position has been much less than in the big foreign buying-markets, such as Germany, United States, Holland,

China, Belgium, etc. In a big market where the total imports amount to a large value, even a small percentage-loss means a much larger actual loss than in a small buying-market such as Norway. And it has happened that our percentage-loss has usually been a much larger percentage-loss in the big markets than in the small markets.

ROUMANIA'S IMPORTS, Table 140 :—Roumania's actual purchases from us rose, and then fell largely. The fall, from the first to the last decade, was 13·6 million lei yearly. Roumania's purchases from Germany rose by 50·1 million lei yearly.

In the test columns of Table 140 we see a large fall in our position as a seller in Roumania, a large rise in Germany's position, and a fall in the position of the group Other Countries.

PORTUGAL'S IMPORTS, Table 141 :—This is the last and the smallest foreign market whose trade records admit of the present investigation being made. The increase in Portugal's purchases from us, from the first to the last decade, was 4·2 million milreis yearly. The increase for Germany was 6·2 million milreis yearly. Portugal's imports from the United States increased by 1 million milreis yearly; and there was a large increase in Portugal's imports from the group Other Countries.

The test columns of Table 141 show a large fall in our position as a seller in the markets of Portugal. Germany's position has largely risen. The United States have lost position in Portugal. The group Other Countries has considerably gained position as a seller in Portuguese markets.

Thus as we began with the big German market, so we end with the small Portuguese market—the United Kingdom has for many years been losing position as a seller in these foreign markets. In other words, whether our actual sales in these foreign markets have increased (as in Germany, Table 124),

or whether our actual sales have decreased (as in Roumania, Table 140), the net result, with only three exceptions, is that we have not been able to maintain our position as a seller. Other nations, our trade rivals in these foreign markets, have succeeded in obtaining not only their own share of the expanded world-demand for merchandise, but in addition our trade rivals have also obtained a large part of the United Kingdom's share in this expanded world-demand for merchandise.

We will now look at some Summary Statements based upon Tables 124-141.

I.—AN INCREASE OF ACTUAL SALES IN FOREIGN MARKETS, NOT CONSIDERING THE PROPORTION OF SALES BY EACH SELLING COUNTRY TO ALL SALES IN EACH FOREIGN MARKET. See Tables 124-141.

The UNITED KINGDOM has increased sales in Germany, United States, France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Switzerland, Spain, Argentine Republic, Denmark, Sweden, Norway, Portugal: an increase in sixteen out of eighteen markets; including nine of the ten big markets.*

GERMANY has increased sales in the United States, France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Russia, Switzerland, Spain, Argentine Republic, Denmark, Sweden, Norway, Roumania, Portugal: an increase in seventeen out of seventeen† markets; including all the big markets.

The UNITED STATES have increased sales in Germany,

* The Big markets are the first ten named on page 260, namely—Germany, United States, France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Russia.

† Seventeen, not eighteen, as Germany does not import from Germany. See Table 124.

France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Russia, Switzerland, Spain, Argentine Republic, Denmark, Sweden, Norway, Portugal: an increase in sixteen out of sixteen * markets; including all the big markets.

OTHER COUNTRIES (*i.e.*, countries other than the United Kingdom, Germany, United States) have increased sales in Germany, United States, France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Russia, Switzerland, Spain, Argentine Republic, Denmark, Sweden, Norway, Roumania, Portugal: an increase in eighteen out of eighteen markets; including all the big markets.

Thus, looking merely at actual sales, irrespective of their proportion to all sales in each foreign market, we find that the United Kingdom shows the smallest number of increased sales of all the sellers in foreign markets now compared. Moreover, in such important markets as the United States, France, Holland, Italy, etc., the course of trade is a large fall in the United Kingdom's actual sales in these markets during the greater part of the whole period. It is the spurt at the end of the period that causes our actual sales in the last decade to show an advance upon the first decade. Also, the upper part of each of Tables 124-141 should be looked at in order to compare the actual increase of the United Kingdom's sales with the actual increase of another country's sales in the same market; for, as stated in the comments on these tables, the actual increase in our sales in each market has been greatly below the actual increase made by our trade rivals. Thus, in the amount of our actual advance, as well as in the number of foreign markets when our actual advance has occurred, the sales of the United Kingdom have fallen short of the sales made by other sellers in foreign markets. These facts and many others in this chapter show the necessity to make a wide

* Sixteen, not eighteen, as the United States do not import from the United States. See Table 125. Also, Roumania's imports from the United States are not separately recorded. See Table 140.

and full survey of international commerce, in order to know the real condition of our own trade. The common and superficial habit of basing opinion merely upon our own insular returns of foreign commerce in this or that year is worse than useless. We must look at the world's trade if we want to know the condition of the United Kingdom's trade.

II.—A DECREASE OF ACTUAL SALES IN FOREIGN MARKETS,
NOT CONSIDERING THE PROPORTION OF SALES BY EACH
SELLING COUNTRY TO ALL SALES IN EACH FOREIGN
MARKET. See Tables 124-141.

THE UNITED KINGDOM has decreased sales in Russia and in Roumania: a decrease in two markets out of eighteen markets.

GERMANY has decreased sales in none of the foreign markets here examined.

THE UNITED STATES have not decreased sales in any of the foreign markets now examined.

OTHER COUNTRIES have not decreased sales in any market.

Thus, comparing the decrease in actual sales by each seller named in foreign markets, the United Kingdom has a worse record than the other sellers in foreign markets, as shown by the full course of trade.

But, as stated, the preceding summaries relate merely to actual sales, without regard to the proportion of these sales to All Sales in each foreign market. Obviously, it is necessary to ascertain the rate of progress or of regress made by each seller in a foreign market relatively to All Sales in each foreign market: for it is upon the rate of progress or of regress made by each rival seller that the future sales by each seller in each foreign market mainly depend. It is the rate of progress that is the surest indication of what is to happen in the future. A train may have had a start of another train, but if, over a long course, the second train is travelling at a

quicker rate than the first train, the second train will catch up and pass the train that had a start. See, for example, Table 124, where the United States have caught up and passed the United Kingdom as a seller in German markets.

III.—AN INCREASE IN THE SHARE OF SALES IN FOREIGN MARKETS, CONSIDERING THE PROPORTION OF SALES BY EACH SELLING COUNTRY TO ALL SALES IN EACH FOREIGN MARKET: See Tables 124-141, and Table 142.

The UNITED KINGDOM's share of sales has increased in Spain, Argentine Republic, Sweden: an increase in three small buying-countries out of eighteen foreign markets.

GERMANY's share of sales has increased in the United States, France, China, Belgium, Italy, Austria-Hungary, Japan, Russia, Switzerland, Argentine Republic, Sweden, Portugal, Roumania: an increase in thirteen buying countries out of seventeen foreign markets; including all but one of the ten big markets.

The UNITED STATES' share of sales has increased in Germany, France, Holland, China, Italy, Austria-Hungary, Japan, Russia, Switzerland, Spain, Argentine Republic, Denmark, Sweden, Norway: an increase in fourteen out of sixteen foreign markets; including all but one of the ten big markets.

OTHER COUNTRIES' share of sales has increased in the United States, Holland, Belgium, Japan, Russia, Denmark, Portugal: an increase in seven out of eighteen foreign markets; including five of the ten big markets.

This Summary III. is the most important of those yet stated. And we see that the United Kingdom has largely and conspicuously failed to keep its place as a seller in foreign markets. Rival sellers have left the United Kingdom far behind as regards progressive sales.

The lower part of each Table 124-141 should be carefully examined; for the course of trade there disclosed shows plainly that the trade-train which had a start has been, or is being, caught up by the other trade-trains. The reversal of positions is in some instances startling to persons who do not examine the course of trade. Look, for example, at Table 124—Germany's imports. During the first decade the United Kingdom sold to Germany £14·8 per £100 of Germany's imports, and the United States sold to Germany £4·7 per £100 of Germany's imports; but during the last decade our share had fallen to £10·1 per £100, while the share of the United States, as a supplier of Germany's imports, had risen to £15·7 per £100 of Germany's imports from All Countries.

Looking at Table 125—the United States' imports—we see that during the first decade we supplied the United States with £25·6 per £100 of their imports, Germany's share being £9·7 per £100; but during the last decade our share had fallen to £17·1 per £100, and Germany's share of the United States' imports had risen to £11·3 per £100. In this instance, the trade-train that had a start is now going backwards, while the trade-train that started later is advancing at an increased speed.

Coming now to a loss of trade position.

IV.—A DECREASE IN THE SHARE OF SALES IN FOREIGN MARKETS, CONSIDERING THE PROPORTION OF SALES BY EACH SELLING COUNTRY TO ALL SALES IN EACH FOREIGN MARKET. See Tables 124-141, and Table 142.

The UNITED KINGDOM's share of sales has decreased in Germany, the United States, France, Holland, China, Belgium, Italy, Austria-Hungary, Japan, Russia, Switzerland, Denmark, Norway, Roumania, Portugal: a decrease of trade position in fifteen out of eighteen foreign markets; including all the big markets.

GERMANY's share of sales has decreased in Holland, Spain, Denmark, and has remained nearly constant in Norway: a decrease in three out of seventeen foreign markets; including one big market.

The UNITED STATES' share of sales has decreased in Belgium and in Portugal: a decrease in two out of sixteen foreign markets; including one big market.

OTHER COUNTRIES' share of sales has decreased in Germany, France, China, Italy, Austria-Hungary, Switzerland, Spain, Argentine Republic, Sweden, Norway, Roumania: a decrease in eleven out of eighteen foreign markets; including five big markets.

Here again, in this fourth summary of Tables 124-141, the United Kingdom comes out in a much worse position than any of the rival sellers in foreign markets now compared. Not only in the number of instances of a loss of trade position, but also in the amount of trade position lost. Readers should carefully examine the lower part of each Table 124-141, in order to see the extent to which the United Kingdom has lost position as a seller in foreign markets relatively to the position gained by trade rivals as sellers in foreign markets. See also Table 142.

In Table 142 we have a kind of bird's-eye view of the notable changes that have occurred during 1880-1909 in the relative positions of rival traders as sellers of merchandise in many foreign markets. These rival traders are the four to which Tables 124-141 relate, namely:—

- I. The United Kingdom.
- II. Germany.
- III. The United States.
- IV. Other Countries (*i.e.*, countries other than I. II, III.).

As stated at the foot of Table 142, the ten big foreign buying-countries where these four rival traders have been

selling merchandise are those from Germany to Russia inclusive. In every one of these big foreign buying-countries

TABLE 142.—A SUMMARY OF TABLES 124-141. COMPARING THE SELLING-COUNTRIES, UNITED KINGDOM, GERMANY, THE UNITED STATES, AND THE GROUP OTHER COUNTRIES; AS REGARDS A RISE OR A FALL IN THEIR RESPECTIVE SHARES AS SUPPLIERS OF THE IMPORTS OF THE EIGHTEEN FOREIGN BUYING-COUNTRIES IN TABLES 124-141. PERIOD, 1880-1909.

Importing- or Buying-Country. (a)	Rise or Fall in each of the following Selling-Countries' Share of the Imports of the Buying-Countries named in Column (a).							
	The United Kingdom's Share.		Germany's Share.		The United States' Share.		Other Countries' Share.	
	Rose.	Fell.	Rose.	Fell.	Rose.	Fell.	Rose.	Fell.
Germany		Fell	—	—	Rose	—		Fell
United States		Fell	Rose		—		Rose	...
France		Fell	Rose		Rose			Fell
Holland		Fell		Fell	Rose		Rose	...
China		Fell	Rose	.	Rose	..		Fell
Belgium		Fell	Rose	..	..	Fell	Rose	...
Italy		Fell	Rose	.	Rose	.		Fell
Austria-Hungary		Fell	Rose	.	Rose	.		Fell
Japan		Fell	Rose		Rose		Rose	.
Russia		Fell	Rose		Rose		Rose	.
Switzerland		Fell	Rose		Rose		..	Fell
Spain	Rose	.		Fell	Rose			Fell
Argentine Republic	Rose	..	Rose		Rose			Fell
Denmark . . . . .	...	Fell	.	Fell	Rose		Rose	..
Sweden	Rose	..	Rose	.	Rose			Fell
Norway . . . . .	.	Fell	No change		Rose		.	Fell
Roumania . . . . .	.	Fell	Rose	..	—	—	..	Fell
Portugal . . . . .	.	Fell	Rose	..	...	Fell	Rose	...
Result	3 Rises	15 Falls	13 Rises	3 Falls	14 Rises	2 Falls	7 Rises	11 Falls

Note.—The Big Buying-Countries in column (a) are the first ten, Germany to Russia inclusive. Each of these ten countries imported more than 700 million £'s worth of goods during the last decade of Tables 124-141. The United Kingdom's Position as a Seller fell in all of these Big Buying-Countries.

the United Kingdom has lost position as a seller, more or less largely.

But a glance over Table 142 will disclose the many and

vital changes that have occurred, while Tables 124-141 will supply the detailed facts.

Table 143 contains a vast mass of information in a condensed form. It enables a student to see at a glance, what has been the progress or regress of the United Kingdom in each foreign market, as a seller of merchandise in each market. Examination of Table 143 should suffice to throw a full light upon the position of the United Kingdom as a seller in foreign markets. Only in three small markets, namely, in Spain, in the Argentine Republic, and in Sweden, has the United Kingdom been able to gain position as a seller of merchandise, relatively to the position of rival sellers in each market.

Table 144 is interesting. It shows for the first and for the last decade of the period 1880-1909 all the foreign markets herein examined, arranged in the order of the strength of our position as a seller in each market.

For example, in the first decade, our position as a seller was relatively stronger in Japan than our position in any other foreign market. We then supplied Japan with 44·1 per cent. of Japan's imports from all sources.

In the last decade of Table 144 we see that Japan had fallen to the fifth place, the leading market then being the Argentine Republic—one of the three foreign markets where, as already stated, we have gained position as a seller.

Among other changes shown in Table 144 we may note that the United States have fallen from the sixth place to the ninth place in this matter of the relative strength of our position as a seller in foreign markets.

Germany occupied the fourteenth place in the first decade of Table 144, and the sixteenth place in the last decade, as regards the feature now observed. But take note that whereas in 1880-1889 we supplied Germany with £14·8 per £100 of Germany's imports from all sources, we, in the decade 1900-1909, supplied Germany with only £10·1 per £100 of Germany's imports from all sources.

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A notable result disclosed in Table 144 is that during the first decade there were twelve foreign markets, to which the

TABLE 143.—A SUMMARY FROM TABLES 124-141. SHOWING THE POSITION OF THE UNITED KINGDOM AS A SELLER IN THE MARKETS OF 18 FOREIGN COUNTRIES, 1880-1909. *Yearly Averages during each Decade.*

(Continued on the following page)

THE UNITED KINGDOM'S SHARE PER CENT OF EACH FOREIGN COUNTRY'S IMPORTS									
Decade.	Germany	United States	France.	Holland.	China	Belgium	Italy.	Austria-Hungary	Japan.
1880—1889	14.8	25.6	13.5	25.2	23.9	13.2	21.6	...	44.1
1881—1890	14.8	24.9	13.6	24.8	23.0	12.9	21.9	..	42.2
1882—1891	14.8	24.4	13.4	24.1	22.6	12.5	21.5	..	40.3
1883—1892	14.9	23.5	13.1	23.4	22.4	12.4	21.4	..	38.4
1884—1893	14.8	23.0	12.9	22.9	21.8	12.4	21.3	...	37.1
1885—1894	14.6	22.3	12.7	21.7	21.3	12.2	21.4	.	36.5
1886—1895	14.3	22.1	12.7	20.9	20.6	12.1	21.4	.	35.9
1887—1896	14.1	21.9	12.8	20.0	20.4	12.0	21.5	..	35.2
1888—1897	13.8	21.7	12.9	19.4	19.9	11.9	21.6	.	33.3
1889—1898	13.4	21.1	12.7	18.2	19.1	11.8	21.1		30.2
1890—1899	12.9	20.5	12.8	17.3	18.4	11.7	20.8		28.2
1891—1900	12.7	20.0	12.8	16.6	18.6	11.7	20.5	9.7	27.3
1892—1901	12.4	19.4	13.0	15.7	17.9	11.6	19.7	9.5	26.0
1893—1902	12.0	19.3	13.0	14.8	17.7	11.4	19.1	9.3	24.9
1894—1903	11.6	19.0	12.8	14.0	17.3	11.1	18.5	9.1	23.3
1895—1904	11.2	18.9	12.7	13.4	17.0	10.9	17.9	8.8	22.3
1896—1905	10.9	18.3	12.7	12.8	17.2	10.8	17.6	8.5	21.9
1897—1906	10.7	17.8	12.7	12.5	17.1	10.7	17.5	8.3	21.5
1898—1907	10.7	17.4	12.9	12.2	17.1	10.7	17.5	8.4	21.3
1899—1908	10.5	17.2	13.2	11.8	17.3	10.5	17.5	8.4	21.7
1900—1909	10.1	17.1	13.3	11.2	17.3	10.4	17.1	8.3	21.8
Result {	A Fall	A Fall	A Fall	A Fall	A Fall	A Fall	A Fall	A Fall	A Fall

Example.—During the first decade, the United Kingdom supplied Germany with 14.8 per cent. of Germany's Imports from All Sources; during the last decade, the United Kingdom's share of Germany's Imports was only 10.1 per cent. : a material Fall in the United Kingdom's position as a seller in Germany's markets.

United Kingdom supplied over 20 per cent. of the imports into these foreign markets—Japan to Italy; but during the

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last decade of Table 144 there were only five foreign markets where the United Kingdom's share was over 20 per cent.—the

TABLE 143—*continued*.—A SUMMARY FROM TABLES 124-141 SHOWING THE POSITION OF THE UNITED KINGDOM AS A SELLER IN THE MARKETS OF 18 FOREIGN COUNTRIES, 1880-1909. *Yearly Averages during each Decade.*

(Continued from the preceding page.)

THE UNITED KINGDOM'S SHARE PER CENT OF EACH FOREIGN COUNTRY'S IMPORTS									
Decade.	Russia	Switzerland	Spain.	Argentine Republic	Denmark	Sweden	Norway.	Roumania	Portugal
1880—1889	23·3	..	18·1	33·6	23 0	26·6	27·1	22·8	38·6
1881—1890	23·2	...	18·3	34·8	22·9	26·8	27·6	23 3	37·0
1882—1891	23·3	.	18·7	35·6	22·5	26·9	27·9	24·1	35·8
1883—1892	23 6	..	18·9	36 1	22·3	27·0	27 8	24·5	34·8
1884—1893	23·8	..	18·8	35·8	22·2	27·0	27 9	25 0	33·0
1885—1894	23·9	5·3	18·6	36·0	21·8	27·0	28·0	24·3	31·3
1886—1895	23·9	5·1	18 9	36 3	21·5	27·4	28·3	24·2	30·5
1887—1896	23·1	5 0	19·2	36·8	21·3	27·5	28·2	24·0	30 3
1888—1897	22·5	5 0	19·5	37 6	20·9	28·0	28·0	23·5	29·9
1889—1898	21·7	4 9	19·7	37 8	20·7	28·2	28·2	22·8	29·9
1890—1899	21·4	4 8	20·2	38·3	20·4	28·4	28 0	21 9	30·0
1891—1900	21 2	4·8	20·7	37·5	20·3	29·0	27·9	20·9	30·3
1892—1901	20 8	4 7	20·5	36 6	19·9	29·2	27·8	20 1	30 3
1893—1902	20 0	4 7	20·2	36·3	19·3	29·0	27·8	19·9	30·4
1894—1903	19·2	4·6	20·1	36 3	18·8	28·8	27·3	19·3	30·5
1895—1904	18·4	4·6	20·0	36·0	18·2	28·5	27·1	18·7	30·5
1896—1905	17·8	4·6	19·6	35·2	17·9	28·1	26·7	18·2	30·5
1897—1906	17·1	4·7	19·5	34·8	17·4	27·8	26 7	17·4	30·3
1898—1907	16·5	4·9	19·6	34 6	17·2	27·4	27·0	16 8	30·4
1899—1908	15·9	5·1	19·5	34·4	16·7	27·0	26·7	16·3	29·8
1900—1909	15·3	5·2	19·5	34·0	16·3	26·7	26·0	15·8	29·7
Result . {	A Fall	A Fall	A Rise	A Rise	A Fall	A Rise	A Fall	A Fall	A Fall

Note.—Of these 18 Foreign Markets, the United Kingdom's position as a seller Fell in 15 of these Foreign Markets (including all the big markets), and Rose in 3 foreign markets, namely—in Spain, in the Argentine Republic, in Sweden. But observe that even in these 3 markets, despite the rise since 1880-1889, the United Kingdom's position has for some while been on the down-grade.

Argentine Republic to Japan. This result denotes a large loss of position by the United Kingdom as a seller in foreign markets.

Taking the mean result for all the foreign markets in Table 144, we see that during the first decade we supplied these foreign countries with 22·8 per cent. of their imports from all sources, and that during the last decade our share had fallen

TABLE 144—SHOWING THE POSITION OF THE UNITED KINGDOM AS A SELLER IN THE MARKETS OF 18 FOREIGN COUNTRIES, IN THE DECADE 1880-1889 AND IN THE DECADE 1900-1909. *Yearly Averages during each Decade*

Decade 1880-1889.		Decade 1900-1909.	
Foreign Importing Country. (a)	United Kingdom's Share of (a)'s Imports.	Foreign Importing Country. (a)	United Kingdom's Share of (a)'s Imports.
	Per cent		Per cent.
1. Japan	44·1	1. Argentine Republic	34·0
2. Portugal	38·6	2. Portugal	29·7
3. Argentine Republic	33·6	3. Sweden	26·7
4. Norway	27·1	4. Norway	26·0
5. Sweden	26·6	5. Japan	21·8
6. United States . .	25·6	6. Spain	19·5
7. Holland	25·2	7. China	17·3
8. China	23·9	8. Italy	17·1
9. Russia	23·3	9. United States . .	17·1
10. Denmark	23·0	10. Denmark	16·3
11. Roumania	22·8	11. Roumania	15·8
12. Italy	21·6	12. Russia	15·3
13. Spain	18·1	13. France	13·3
14. Germany	14·8	14. Holland	11·2
15. France	13·5	15. Belgium	10·4
16. Belgium	13·2	16. Germany	10·1
17. Austria-Hungary .	9·7	17. Austria-Hungary .	8·3
18. Switzerland . .	7·3	18. Switzerland . .	5·2
Mean of the above 18 Percentages . . .	22·8	Mean of the above 18 Percentages . . .	17·5

Based upon Table 143.

* For the decade 1891-1900. See Table 143.

† For the decade 1885-1894. See Table 143.

to 17·5 per cent. But this result is the unweighted mean of the averages in Table 144. If we compute from Tables 124-141 the weighted mean, thus giving effect to the volume of the imports into each foreign market, the result is that during the first decade we supplied these eighteen foreign markets

with £189 per £1000 of their imports, and with only £143 per £1000 of their imports during the last decade—a heavy fall.

This is another evidence of the notable decline in the position of the United Kingdom as a seller in foreign markets.

We may now proceed to measure the money loss caused by the loss of position by the United Kingdom as a seller in these eighteen foreign markets.

For this purpose, we will assume that, in place of the United Kingdom having increased its position as in Spain, the Argentine Republic, Sweden, and in place of the United Kingdom having lost position as in Germany, the United States, and in other foreign markets, the United Kingdom maintained its position during the last decade 1900-1909 upon the level of its position during the first decade 1880-1889. See Table 145.

The results are worked out as follows :—

During 1900-1909, as compared with 1880-1889, our position as a seller in Germany fell off to the extent of 4·7 per cent. of Germany's imports from all sources. The latter were 6926 million marks yearly during the decade 1900-1909, Table 124. And 4·7 per cent. of 6926 million marks is equal to 16·28* million £. The result for each of the other foreign markets has been computed in a similar way, and Table 145 shows the extent of the Gain or Loss by the United Kingdom thus computed.

The result is that during the decade 1900-1909 the net yearly loss of sales by the United Kingdom was 108·78 million £, or, 1087·8 million £ during the whole decade. This is the cash equivalent of the loss of position by the United Kingdom as a seller in these eighteen foreign markets.

It is a moderately based computation ; for it assumes no rise in the position of the United Kingdom such as has occurred in the position of Germany, of the United States, and of the group Other Countries in Table 142. This computation in Table 145 is merely the result of our not having held our

* Converted at the rate of 20 marks = £1. See Note to Table 124.

position. It does not assume any rise in our position. Indeed, in three markets in Table 145 where our position has risen, the cash value of the rise has been deducted from our

TABLE 145—SHOWING THE EQUIVALENT LOSS OF SALES BY THE UNITED KINGDOM IN THE 18 FOREIGN MARKETS, DURING THE DECADE 1900-1909, ARISING FROM THE LOSS OF POSITION BY THE UNITED KINGDOM AS A SELLER IN THESE FOREIGN MARKETS.

Importing or Buying-Country. (a)	The United Kingdom's Share in supplying the Imports of the Buying-Countries in column (a).					
	During the Decade 1880-1889.	During the Decade 1900-1909.	The United Kingdom's Gain or Loss, during 1900-1909.			
			Per cent.		Value	
			Gain.	Loss.	Yearly Gain.	Yearly Loss.
	Per cent	Per cent	Per cent	Per cent	Million £	Million £
Germany . . .	14·8	10·1		4·7		16·28
United States . .	25·6	17·1		8·5		19·27
France . . .	13·5	13·3		0·2		0·41
Holland . . .	25·2	11·2		14·0		28·72
China . . .	23·9	17·3		6·6		8·10
Belgium . . .	13·2	10·4		2·8		3·24
Italy . . .	21·6	17·1		4·5		4·05
Austria-Hungary .	*9·7	8·3		1·4		1·23
Japan . . .	44·1	21·8		22·3	...	17·22
Russia . . .	23·3	15·3		8·0		6·19
Switzerland . . .	†5·3	5·2	...	0·1		06
Spain . . .	18·1	19·5	1·4	..	0·56	
Argentine Republic	33·6	34·0	0·4		0·16	
Denmark . . .	23·0	16·3		6·7		2·36
Sweden . . .	26·6	26·7	0·1		0·03	
Norway . . .	27·1	26·0		1·1		0·20
Roumania . . .	22·8	15·8		7·0		0·98
Portugal . . .	38·6	29·7		8·9		1·22
Result . . .			{ 3 Gains	{ 15 Losses	0·75	109·53
					Net Yearly Loss } = 108·78	

Based upon Tables 124-141.

* For the Decade 1891-1900. See Table 143.

† For the Decade 1885-1894. See Table 143.

Note.—The loss of position by the United Kingdom in these 18 foreign markets was equivalent to a net loss of sales equal to 108·78 million £ yearly during 1900-1909, or to a net loss of 108·78 million £ for the whole decade. Compare with Table 185.

total loss, giving the net loss of 108·78 million £ yearly already stated.

The increase in our export trade, of which so much is made by merely casual observers who will not look outside of the coast-line of these small islands, becomes small when considered by the full light thrown upon the international supply of goods into foreign markets given by these summary tables we have been considering.

Are we, in a survey of our foreign commerce, to ignore the vast increase here shown in the buying-power of foreign nations? See Tables 124-141. An increase caused by the growth of their populations, by a raised standard of living, by increased facilities of transport, by the development of machinery which increases the productive power of man and the natural wealth of nations. Are we to take no account of this vastly increased buying-power of foreign nations—an increase much greater than our own—and to rest content with a mere superficial glance at the increase in our exports in this or that year, blindly confining our vision to our own trade records, regardless of the lessons to be taught by a survey of world commerce? It is almost inconceivable that so many citizens of the United Kingdom are content to remain thus blind to what is taking place in the daily, silent, deadly warfare of international commerce, in which the United Kingdom is receiving blow after blow, and—turns the other cheek to the smiter, with a mumble of false economic dogma.

The strong persistence and regularity of the results here shown give much validity to the striking tendencies disclosed. By a broadly based method of condensation, we have treated all these import records of many most diverse foreign countries in identical fashion, which enables the course of trade to show itself.

And we should bear in mind that, as throughout this book, we are looking at the full course of trade, covering a broad fact-base. There is no selection of this or that year or period of trade. The latter process is a far too common debasement of trade records, often done for the purpose of making the

records substantiate this or that preconceived opinion. All such foolish and superficial mishandling of trade records is unworthy of any person who desires to inform himself or to inform other persons as to the real course of trade in this or that direction. Trade movement, trade tendencies, the full course of trade, are what we want to see. The mere isolated statistics are without value.

What are the causes of this large loss of trade position by the United Kingdom in the markets of foreign countries?

One cause is the development of our rivals as world-traders. And here let us bear in mind that, as shown in Tables 124-141, not only Germany and the United States have been going ahead while we have dropped back, but also the group of Other Countries dealt with in each table. As will be shown in another part of this book (Chapter XIII.), many countries other than Germany and the United States have been advancing. This fact should not be forgotten.

We cannot rightly attribute the fall of the United Kingdom's position as a seller in foreign markets exclusively to the working of our so-called Free Trade, combined with the working of the policy of Protection by our rival sellers in these foreign markets. At any rate, we cannot rightly assert our so-called Free Trade and the Protective policy of our rivals as the combined causes of our loss of position and of our rivals' gain of position in foreign markets, during the whole of the period now being observed. For this reason: During the earlier part of the period 1880-1909, some of our rivals were attaining their development as industrial nations; this development has caused an expansion of their foreign commerce, and the latter expansion has caused a loss of position by us as a seller of merchandise in foreign markets. At the same time, we have to bear in mind that the expansion of sales by our rivals in foreign markets has certainly been materially aided by their power to negotiate with countries to which our rivals desire to sell merchandise, this negotiating power being contained in the

Protective policy of our rivals. Simultaneously, we have lacked the power to negotiate with countries to which we desire to sell merchandise, because our policy of so-called Free Trade gives to us no tool for negotiation. Our trade policy gives to us no tool for negotiation, because we already give to every nation a free or open selling-market for their goods in the United Kingdom; whereas our rivals in world-commerce use the right of access to their home market as a negotiating-tool by which to secure for themselves an advantage in foreign markets where our trade rivals desire to sell merchandise. To take one instance out of many, our loss of position in Russia and Germany's gain of position in Russia (Table 133) is probably due materially to the Russo-German tariff treaty of the year 1894. There is no doubt but that the power to influence the import-taxation of merchandise in a country where any nation desires to sell merchandise does appreciably aid the selling-nation in the selling of its merchandise. And we of the United Kingdom disdain to use this power that our rivals possess and freely use; there is nothing but glamour to prevent us from using this power. We are so placed in the world's commerce that if we choose we can use this negotiating power with even more effect than it is used by our trade rivals, because the market of the United Kingdom is more greatly desired as a selling-place by other nations than is any other world selling-place—see Chapter XV. for a proof of this statement, Tables 246 and 247.

The foregoing remarks relate more particularly to the loss of position by the United Kingdom in foreign markets which has occurred during the earlier part of the period now observed; let us say during the first half of this period, that is, from 1880-1895, for this first half of the period may be regarded as the period during which our trade rivals obtained their development as industrial nations.

As regards the loss of position by the United Kingdom as a seller in foreign markets during the latter part of the

period, let us say from 1895-1909, we cannot attribute this loss of position by the United Kingdom to the attaining of industrial development by our trade rivals, because, at any rate as regards the more important of our trade rivals, their industrial development was accomplished before this latter half of the period began. See Chapter I. And we have to attribute our loss of position and our rivals' gain of position more to a difference in trade policy than to the attaining of industrial maturity by our rivals. During the earlier part of the period 1880-1909 we may, as already suggested, attribute our loss of position partly to the attaining of industrial development by our trade rivals, rather than to a difference between their trade policy and our trade policy.

The fact that now confronts us is that while we and our trade rivals have attained industrial maturity, we continue to lose position, and our rivals continue to gain position, as sellers of merchandise in foreign markets. Even in the three foreign markets where the United Kingdom has gained position—in Spain, in the Argentine Republic, in Sweden—our position has for some while been upon the down-grade, and the position of our trade rivals has been upon the up-grade.

Thus, although we may rightly desire to make full allowance for the loss of position by the United Kingdom as a seller in foreign markets upon the score that this loss of position has been due in part to the industrial development of our trade rivals, it would be rash for us to continue indefinitely to attribute our loss of position to this cause, for, as here pointed out, we continue to lose position after the attainment of industrial maturity by our trade rivals. The loss of position by us is steadily progressing, even in years when our foreign commerce advances; and, for reasons already stated, we are probably justified to attribute this continued loss of position by us—a loss that continues after the attainment of industrial maturity by our rivals—appreciably to the difference between the trade policy of our rivals and our trade policy.

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Another cause of our loss may be that our rivals are better business men than we are. It is impossible to say, because the conditions in which we trade and in which our rivals trade are wholly dissimilar. Our rivals, who advance, work by the method of protecting their trade interests. We, who fall back, work by the method of letting our trade interests look after themselves. Our rivals may be in the right, or we may be in the right; but whether their method of foreign commerce or our method is right, the facts remain, as shown in Tables 124-141, that our rivals advance while we go back in the markets of foreign countries.

A third cause of the great advance of our trade rivals, and of our large loss of position as sellers in foreign markets, is probably due to the fact that our trade rivals have a much larger free or open market for sales than we have. Thus our rivals possess one of the greatest advantages that can be possessed by any trader, great or small. For a large free area of sales means large production and easy sales—if necessary, at a smaller profit than can be accepted by a seller whose sale-area is not so large. Our rivals have the Double Market.

Take, for example, the respective free or open sale-areas of the United Kingdom, Germany, the United States; and for simplicity of illustration, let only these three countries be considered. What is the open sale-area of each country, as confined to these three countries?

THE UNITED KINGDOM'S OPEN MARKET.

	Persons.
In the United Kingdom	46,000,000
In Germany	none
In the United States	none
Total. (The Single Market)	<u>46,000,000</u>

GERMANY'S OPEN MARKET.

	Persons.
In the United Kingdom	46,000,000
In Germany	66,000,000
In the United States	none
Total. (The Double Market)	<u>112,000,000</u>

THE UNITED STATES' OPEN MARKET.

	Persons.
In the United Kingdom	46,000,000
In Germany	none
In the United States	93,000,000
Total (The Double Market)	<u>139,000,000</u>

The above statement of the open or free market possessed by the United Kingdom, by Germany, and by the United States seems to throw some light upon the cause of the advance of Germany and of the United States as sellers in foreign markets, and of our loss of position in those markets shown in Tables 124-145.

For as each of these two of our rivals, to name no others, possesses a much larger open market for sales than we possess, it is to be expected that they should advance, while we go back, as suppliers of foreign countries' imports. A sale-advantage of the magnitude just illustrated, ought, *a priori*, to produce results akin to those shown in Tables 124-145, and we have seen that the results to be expected have happened. The Double Market for sales beats the Single Market.

And this question comes—Is it wise to continue to give to our powerful and advancing rivals this advantage of the Double Open Market while we have only the Single Open Market?

One of the alleged benefits usually claimed for real Free Trade is that it gives to each seller the same extent of open selling-area.

For example—Under real Free Trade the open market possessed by the three countries named, including only these three countries, would be as follows:—

OPEN MARKET UNDER REAL FREE TRADE, FOR THE UNITED KINGDOM,
FOR GERMANY, FOR THE UNITED STATES, WOULD BE 205,000,000
PERSONS EACH, MADE UP THUS:—

	Persons.
In the United Kingdom	46,000,000
In Germany	66,000,000
In the United States	93,000,000
Total	<u>205,000,000</u>

Thus, under real Free Trade each of these three countries would possess an open market of 205,000,000 persons, counting the markets in the three countries only.

And the great difference between the results that would exist under real Free Trade, and the results that actually exist under the methods of trade now adopted by the three countries, may be summed up thus :—

Possessed by	Free or Open Market under Real Free Trade.	Free or Open Market under existing Methods of Trade.	Shortage
	Persons	Persons	Persons
United Kingdom	205,000,000	46,000,000	159,000,000
Germany	205,000,000	112,000,000	93,000,000
United States	205,000,000	139,000,000	66,000,000

We see that under existing methods of trade, no one of the three countries possesses the full advantage, as regards a free market for sales, that would be possessed by each of them under real Free Trade.

But, under existing methods of trade, we see plainly that the *shortage* of free market-area is much greater for the United Kingdom than it is for Germany or for the United States. Also, that the shortage of free market-area is greater for Germany than it is for the United States.

There is no questioning the fact that the condition now being dealt with is an exceedingly important thing to a seller of merchandise—the condition of a larger or a smaller open sale-area. And thus it is not unlikely that the above illustrated large differences in open sale-area are considerably responsible for the results disclosed in Tables 124-145.

The United States have made more advance than Germany (see Table 142), and the United States have a larger open sale-area than Germany has.

The United States and Germany have each made much more advance than the United Kingdom (see Table 142),

and the United States and Germany each have a much larger open sale-area than the United Kingdom possesses.

The group Other Countries, dealt with in Tables 124-144, have made more advance than the United Kingdom (see Table 142), and these Other Countries have a larger open sale-area than the United Kingdom possesses.

In 1891, the late Lord Playfair (then Sir Lyon Playfair) was speaking at the Cobden Club meeting, convened to protest against the McKinley Tariff of the United States. This tariff caused American taxation of imports to be greatly increased.

Lord Playfair, speaking as a Free Trader, said, "If the Americans be right in principle, and if they be successful in practice, the whole policy of the United Kingdom is founded on a gigantic error, and must lead to our ruin as a commercial nation."

That was twenty years ago. Incontestably, the Americans have proved their policy of foreign commerce to be right in principle, and to have been successful in practice. No time limit was mentioned by Lord Playfair for the fulfilment of his prediction as to our commerce; and many years must pass before a trading organisation so vast and so deeply rooted as British commerce can be ruined. But thoughtful persons who will accept the umpirage of economic fact and reason in preference to the mere dogmas of academic economic theory, will see in the contents of this book only too much justification for the belief that our trade policy is indeed founded upon a gigantic error. Our power of national production is being sapped. See Chapter I.

This error puts cheap consumption at any cost in front of production. Whereas production is the backbone of national welfare. And, by orthodox political economy, a trader's profit on the exchange of goods in foreign commerce is assumed to be synonymous with national benefit, and to be the first purpose of a nation's trade policy. But the first purpose of a nation's trade policy should be to defend and

to foster a nation's power of production, and this is wholly different from and may be opposed to a trader's profit in the exchange of goods connected with foreign commerce. A trader gets his money profit by the importation of "poisons" and of "medicines" alike.* But a nation's welfare is concerned in the importation of raw material for its workers to handle, rather than in constantly increasing imports of manufactured goods. And national welfare depends more upon the maintenance of its power of Home Production than upon its foreign commerce. See Chapter I.

Orthodox economic theory may be as symmetrical in construction as a spider's web, and may have the beauty of it. But economic theory has no stronger hold upon the actual and material conditions of international commerce than the filmy attachments of a spider's web have upon a stone wall. Because the orthodox economic theory of this country disdains the investigation of fact, its theories are merely brain-spun, and alone among all departments of human knowledge, academic political economy remains to this day pre-Baconian in its methods.

Are we wise to continue to give to each of our trade rivals an open sale-area of 46,000,000 persons in the United Kingdom? We have seen in Tables 124-144 the progress made by our trade rivals in the markets of foreign countries, and we have seen our own falling back. These results have come to pass while our rivals have been attaining full adult strength as world traders, and if they continue to hold this great trade-advantage—the advantage of the Double Open Market for their sales—what will be the course of trade during the next ten or twenty years?

It is safe to predict that there will occur a still larger advance by our trade rivals, and a still larger falling back by the United Kingdom, as sellers in foreign markets. And a

* Our imports of manufactured goods that compete with our own manufacturers may be economic poison, and our imports of raw material may be economic medicines.

necessary corollary is that the demand for British labour will decrease (see Chapter I.), while the demand for foreign labour will increase.

And when that happens, it may then be too late for us to adjust our method of trade to the conditions of modern world-commerce; for the markets will be lost to us. These conditions of international trade are not based upon friendly co-operation between nations, nor upon the theory of the automatic "division of labour," but upon a fierce contesting for the world's markets without any regard for economic theory. No nation can afford to give to its rivals the advantage that we give to our rivals. In commerce between nations, such altruism as we practise is out of place. A rational selfishness, for the national good, is the only safe guide to action. And it is the only guide that can be ethically justified for use by those who control the trade policy of a nation.

If we decide to tax our imports, we should bear in mind that even upon the assumption that the whole of such import duties would be paid by us and not by the foreign producers of the goods we import, this taxation would form merely a part of our national revenue that must necessarily be raised to provide for our national expenditure. *And the latter would not be increased by this variation in the means by which we raise our national revenue.*

Bearing in mind this fact, surely it is wiser to collect our national revenue by a change in our fiscal policy that will lead directly to giving increased employment and wages to our own workmen, than to continue our present fiscal policy, which not only puts the whole burden of our necessary taxation upon the United Kingdom, but which simultaneously takes employment and wages from our workmen and gives employment and wages to workmen in foreign countries.

But, as shown in Chapter XV., it is probable that a part, if not the whole, of any moderate import duties we may levy would be paid by the foreign producers of our imports, not by us.

CHAPTER IX

TAXES ON IMPORTS *

THE yearly Statistical Abstract relating to Foreign Countries states the total amount of import duties collected in various foreign countries and in the United Kingdom.

By making use of a series of these statements we can obtain some useful results in regard to taxes collected on imports in foreign countries and in the United Kingdom.

Tables 146 and 147 relate to ten principal trading countries, and they show the average yearly amount during each successive decade, of import duties *collected* by each country named.

The results for the five countries that collect the largest amounts of import duties are contained in Table 146, and the results for the five countries collecting the smaller amounts of import duties are in Table 147.

We see in Table 146 that the United States collect by far the largest amount of import duties.

These amounts were 41·9 million £ yearly during 1880-1889, and 56·5 million £ yearly during 1900-1909.

The United Kingdom ranks second as a collector of import duties. We are so accustomed to regard our imports as "free," that we are apt to overlook the fact that the taxes we levy for revenue purposes upon articles of food, drink, and tobacco are so considerable that they cause us to rank second only to the United States as a collector of import duties.

These taxes on imports into the United Kingdom were

* Based upon the current Statistical Abstract for Foreign Countries (Cd. 5446) and upon earlier volumes; upon Blue Book Cd. 2337; upon the current Statistical Abstract for United Kingdom (Cd. 5296), and upon earlier volume; upon Cd. 4954.

19·7 million £ yearly during 1880-1889, and 30·4 million £ yearly during 1900-1909; and there was a nearly continuous rise throughout Table 146.

TABLE 146 —TOTAL AMOUNT OF IMPORT DUTIES COLLECTED IN THE TEN PRINCIPAL TRADING COUNTRIES, 1880-1909 *Yearly Averages during each Decade*

LEADING GROUP. (See Table 147 for the other five countries.)

Decade.	United States.*	United Kingdom.†	Germany.‡	Russia.	France.
	Million £	Million £	Million £	Million £	Million £
1880—1889	41·9	19·7	11·2	10·4	13·7
1881—1890	42·8	19·8	12·4	10·7	13·8
1882—1891	43·3	19·9	13·4	11·1	14·0
1883—1892	44·0	19·9	14·5	11·4	14·5
1884—1893	43·8	19·9	15·3	11·9	15·0
1885—1894	42·6	19·9	16·1	12·7	15·5
1886—1895	42·0	19·9	16·9	13·5	15·6
1887—1896	41·3	20·0	17·8	14·4	16·0
1888—1897	40·4	20·2	18·8	15·5	16·4
1889—1898	38·9	20·4	19·8	16·7	16·8
1890—1899	38·6	20·6	20·8	17·8	17·1
1891—1900	38·6	20·9	21·4	18·7	17·4
1892—1901	39·0	21·6	21·9	19·8	17·4
1893—1902	39·0	22·6	22·5	20·8	17·2
1894—1903	40·7	23·9	23·3	21·9	17·2
1895—1904	43·3	25·1	24·2	22·4	16·8
1896—1905	45·6	26·5	24·8	23·0	16·9
1897—1906	48·5	27·6	26·0	23·6	17·0
1898—1907	51·7	28·6	26·6	24·3	17·2
1899—1908	54·6	29·7	27·6	24·9	17·1
1900—1909	56·5	30·4	28·1	25·6	17·4

* For years ended 30th June.

† These British taxes on Imports are almost wholly taxes on Imports of Food, Drink, and Tobacco. In the other countries the taxes on Imports are mainly taxes on Imported Manufactured Goods.

‡ For years ended 31st March; converted at 20 Marks=£1. See Note to Table 124.

Note.—The above are the import duties collected on imports that passed the Tariff barriers. These results do not show the incidence of each country's Tariff.

Germany ranks third in Table 146. Taxes collected on imports were 11·2 million £ yearly during 1880-1889, and 28·1 million £ yearly during 1900-1909; with a continuous rise throughout.

Russia's taxes on imports were 10·4 million £ yearly during 1880-1889, and 25·6 million £ yearly during 1900-1909; the rise was continuous.

The taxes collected on imports into France rose from 13·7 million £ yearly during 1880-1889 to 17·4 million £ yearly during 1900-1909.

Coming now to the secondary group, Table 147, where the amount of the taxes collected on imports is much smaller than in Table 146, we see that Italy's taxation on imports rose from 7·1 million £ yearly during 1880-1889 to 10·2 million £ yearly during 1900-1909. The rise was nearly continuous throughout the period covered by Table 147.

TABLE 147.—TOTAL AMOUNT OF IMPORT DUTIES COLLECTED IN THE TEN PRINCIPAL TRADING COUNTRIES, 1880-1909 *Yearly Averages during each Decade.*

SECONDARY GROUP. (See Table 146 for the other five countries.)

Decade.	Italy.	Spain.	Austria-Hungary.	Belgium.	Holland.
	Million £.	Million £.	Million £.	Million £.	Million £.
1880—1889	7·1	3·5	3·1	1·1	·42
1881—1890	7·6	3·6	3·2	1·1	·43
1882—1891	7·9	3·6	3·3	1·2	·44
1883—1892	8·2	3·7	3·4	1·2	·44
1884—1893	8·5	3·8	3·5	1·2	·45
1885—1894	8·7	4·0	3·5	1·2	·46
1886—1895	8·7	4·1	3·6	1·3	·47
1887—1896	9·0	4·2	3·8	1·4	·50
1888—1897	8·9	4·3	4·0	1·4	·53
1889—1898	9·0	4·2	4·2	1·5	·56
1890—1899	8·9	4·4	4·4	1·6	·59
1891—1900	8·9	4·6	4·4	1·6	·62
1892—1901	9·1	4·8	4·5	1·7	·66
1893—1902	9·2	4·9	4·6	1·8	·69
1894—1903	9·2	5·0	4·6	1·8	·73
1895—1904	9·2	5·0	4·7	1·9	·77
1896—1905	9·2	5·1	4·8	2·0	·81
1897—1906	9·4	5·3	4·9	2·0	·84
1898—1907	9·6	5·4	5·1	2·1	·87
1899—1908	9·8	5·7	5·2	2·1	·89
1900—1909	10·2	5·7	5·5	2·2	·92

See Notes to Table 146.

Spain collected 3·5 million £ yearly during 1880-1889, and 5·7 million £ yearly during 1900-1909. The rise was almost continuous.

Austria-Hungary's receipts, from taxation of imports were

3·1 million £ yearly during 1880-1889, and 5·5 million £ yearly during 1900-1909. The rise was nearly continuous.

Belgium received 1·1 million £ yearly during 1880-1889, and 2·2 million £ yearly during 1900-1909; with a continuous rise.

Holland's taxation of imports amounted to only £420,000 yearly during 1880-1889, and to £920,000 yearly during 1900-1909. The rise was continuous.

We must now look at those taxes collected on imports, upon the basis of the amount of imports going into each country. For this purpose we may conveniently compute the amount of import duties collected per £1000 of imports; and where general imports are recorded, we will compute the rate of taxation on imports per £1000 of general imports. See the note to Table 148.

Here, of course, we find the comparative international results largely different from these in Tables 146 and 147.

Table 148 shows the amount of import duties *collected* per £1000 of imports for the five countries with the highest rates of import duties collected; and Table 149 relates to the five countries (of the ten principal trading countries) that have the smallest rates of import duties *collected*. Let it be clearly understood here that these rates of import duty are based upon the amount of import duties actually collected, not upon the rates of import duty charged by the tariffs of the respective countries. The rates in Tables 148 and 149 do not show the weight of each country's tariff upon its imports. A very high tariff may exclude some imports, thus preventing any import duty being collected on certain items of import. These tariffs are set out in detail in the Blue Book entitled "Foreign Import Duties," and it is impossible to give any proper summary of the 450 pages of detailed import duties contained in this Blue Book. A later part of this chapter shows the *ad valorem* equivalent of the foreign tariff duties on British manufactured goods.

Looking at Table 148, we see that Russia heads the list of foreign countries with the highest amount of import duties

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collected per £1000 of imports. This rate was £212 per £1000 of imports during 1880-1889, and £334 per £1000 of imports during 1900-1909.

TABLE 148.—THE AMOUNT OF IMPORT DUTIES COLLECTED PER £1000 OF IMPORTS BY THE TEN PRINCIPAL TRADING COUNTRIES, 1880-1909
Yearly Averages during each Decade.

The Five Countries with the HIGHEST AMOUNTS of Import Duties Collected.
(See Table 149 for the other five countries.)

Decade.	Amount of Import Duties Collected per £1000 of Imports.*				
	Russia.	United States.	Italy.	Spain.	Germany
	£	£	£	£	£
1880—1889	212	296	127	118	47
1881—1890	228	297	135	115	51
1882—1891	243	292	141	113	55
1883—1892	259	293	147	113	60
1884—1893	277	286	154	118	65
1885—1894	294	278	160	122	69
1886—1895	306	268	164	125	72
1887—1896	315	259	173	127	76
1888—1897	325	252	175	127	79
1889—1898	333	246	173	125	83
1890—1899	337	245	169	128	86
1891—1900	338	243	163	132	88
1892—1901	342	246	159	137	88
1893—1902	347	244	154	139	87
1894—1903	349	249	148	137	87
1895—1904	351	255	141	135	86
1896—1905	352	256	134	136	84
1897—1906	348	258	127	139	82
1898—1907	344	256	119	141	78
1899—1908	338	256	113	142	78
1900—1909	334	249	109	142	76

* Where the General Imports are recorded, the Import Duties have been computed per £1000 of General Imports. For some countries only the Special Imports are recorded; these countries are, Russia, Austria-Hungary, Holland. See Table 149. These results do not show the incidence of each country's Tariff.

The United States are second to Russia. The amount was £296 per £1000 of imports during 1880-1889, and £249 per £1000 of imports during 1900-1909. The fall has been nearly continuous until the last eight decades. This result does not mean that the tariff of the United States has continuously fallen in regard to the scheduled rate of import duty levied upon

this or that article of import; it means that the amount of import duties actually collected by the United States per £1000 of imports has fallen. And this fall may have been caused by an actual rise—not by a fall—in the scheduled duties upon imports as set out in the various tariffs of the United States. In other words, the effect of raising the tariff against imports may have caused fewer imports in the highly taxed classes to have entered the United States; for a high import duty has, and is intended to have, a prohibitive effect upon imports. Thus the tariff of a country may rise against imports, with the effect that the amount of import duties actually collected per £1000 of imports may simultaneously fall. See Table 152.

Italy's amount has fallen from £127 per £1000 of imports during 1880-1889 to £109 per £1000 of imports during 1900-1909. The maximum was reached in the decade 1888-1897, £175 per £1000, and thereafter a continuous fall has occurred.

Spain's amount of taxation on imports was £118 per £1000 of imports during 1880-1889, and £142 during 1900-1909. The rise has been nearly continuous.

Germany's amount was £47 per £1000 of imports during 1880-1889, and £76 per £1000 during 1900-1909.

Coming now to Table 149, France's amount of taxation on imports was £62 per £1000 of imports during 1880-1889, and £67 per £1000 during 1900-1909.

Austria-Hungary's amount was £63 per £1000 of imports during 1880-1889, and £62 per £1000 during 1900-1909.

The United Kingdom collected £50 per £1000 of imports during 1880-1889, and £53 per £1000 during 1900-1909; with trivial fluctuations during the intervening decades. We may say that our taxation of imports of food, drink, and tobacco has been equivalent to a nearly constant import duty of 5 per cent. upon all imports that enter the United Kingdom. The peculiarity of our tariff is that it taxes imports which do not compete with our home-produced goods, thus throwing the

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whole import tax upon the consumer in the United Kingdom. The tariffs of foreign nations are constructed to tax imports that compete with their home-produced goods, thus causing a part of the import tax to be paid by the senders of the goods they import, in place of letting the whole import tax be paid by the consumers in the importing foreign country.

TABLE 149—THE AMOUNT OF IMPORT DUTIES COLLECTED PER £1000 OF IMPORTS BY THE TEN PRINCIPAL TRADING COUNTRIES, 1880-1909.
Yearly Averages during each Decade

The Five Countries with SMALLEST AMOUNTS of Import Duties Collected.
(See Table 148 for the other five countries)

Decade.	Amount of Import Duties Collected per £1000 of Imports.*				
	France.	Austria-Hungary.	United Kingdom.†	Belgium.	Holland
1880—1889	£ 62	£ 63	£ 50	£ 10	£ 4·7
1881—1890	64	66	50	10	4·6
1882—1891	65	68	50	10	4·5
1883—1892	68	70	50	10	4·5
1884—1893	72	70	50	10	4·4
1885—1894	75	70	50	11	4·4
1886—1895	75	71	49	11	4·4
1887—1896	78	71	48	12	4·4
1888—1897	79	73	48	12	4·5
1889—1898	80	75	47	12	4·6
1890—1899	81	75	47	13	4·7
1891—1900	82	73	47	13	4·7
1892—1901	82	73	47	14	4·8
1893—1902	80	71	49	14	4·8
1894—1903	79	69	50	13	4·8
1895—1904	76	68	51	13	4·8
1896—1905	74	66	52	13	4·8
1897—1906	72	64	53	12	4·8
1898—1907	70	63	53	12	4·7
1899—1908	68	63	53	11	4·6
1900—1909	67	62	53	11	4·5

* See Note to Table 148.

† See Note to Table 146.

These results do not show the incidence of each country's Tariff.

Belgium's amount was £10 per £1000 of imports during 1880-1889, and £11 per £1000 during 1900-1909.

Holland's amount was £4·7 per £1000 of imports during 1880-1889, and £4·5 per £1000 of imports during 1900-1909.

As already stated, the foregoing amounts of import duties

per £1000 of imports into each country, relate to the average taxation *collected* on all imports, not to the scheduled rate of taxation according to the tariff of this or that country. And thus the results in Tables 148 and 149 do not show the incidence of each country's tariff.

In Blue Book Cd. 2337, 1904, there are statements relating to the rate of import duty levied by some foreign countries upon imports of manufactured goods from the United Kingdom.

These rates have been computed by the Board of Trade after taking into account the average value of each class of goods exported from the United Kingdom, for the purpose of ascertaining what are the average rates of taxation by certain foreign countries upon British manufactured goods. Here are the results :—

TABLE 150 —ESTIMATED AVERAGE *ad valorem* EQUIVALENT OF THE IMPORT DUTIES LEVIED BY THE UNDER-MENTIONED FOREIGN COUNTRIES UPON THE PRINCIPAL ARTICLES OF BRITISH EXPORTS FROM THE UNITED KINGDOM.

Russia's tax is	£131	per	£100	of value.
Spain's tax is	76	„	100	„
United States' tax is	73	„	100	„
Portugal's tax is	71	„	100	„
Austria-Hungary's tax is	35	„	100	„
France's tax is	34	„	100	„
Argentine Republic's tax is	28	„	100	„
Italy's tax is	27	„	100	„
Germany's tax is	25	„	100	„
Sweden's tax is	23	„	100	„
Greece's tax is	19	„	100	„
Denmark's tax is	18	„	100	„
Roumania's tax is	14	„	100	„
Belgium's tax is	13	„	100	„
Norway's tax is	12	„	100	„
Japan's tax is	9	„	100	„
Turkey's tax is	8	„	100	„
Switzerland's tax is	7	„	100	„
China's tax is	5	„	100	„
Holland's tax is	3	„	100	„

The above are the Board of Trade's estimates published in the year 1904. Some of the above rates of taxation have probably increased since the year 1904.

The above rates, which refer to foreign taxes on exports of manufactured goods from the United Kingdom, are much higher than the amounts *collected* that are set out in Tables 148 and 149. Note that the rates in Table 150 are the rates of taxation per £100 of manufactured goods, and that the amounts in Tables 148 and 149 refer to import duties actually collected per £1000 of all imports.

When we look at the above-quoted rates of taxation upon our exports of manufactured goods, we may see in them an explanation of the fall in the United Kingdom's position as a seller in foreign markets shown in Chapter VIII.; for our present method of trade renders us unable to negotiate with foreign countries for a less severe tariff treatment of our exports of manufactured goods.

As is shown in Table 146, we have during many years taxed our imports of food, drink, and tobacco so heavily that, in sheer volume of import taxes collected, we rank second only to the United States. The reason is not clear why we should hold ourselves justified to tax food imports for revenue purposes and not free to adjust that taxation for the purpose of establishing a system of trade more in accord with the practice of successful foreign countries who are our trade rivals. Moreover, we admit the manufactured goods of those foreign countries into the United Kingdom free of tax,* regardless of the consideration that in many directions these imports directly compete with our own manufactures.

And we have to bear in mind that our own manufactures are subjected to conditions that increase their cost of production, and consequently lessen their power to compete with foreign goods, and that these conditions do not affect the competing power of these imported foreign goods.

Among these conditions affecting the cost price and the competing power of British goods, are the stringent regulations of trade unions, the extensive operation of factory legislation,

* See Chapter XV.

heavy municipal and county rates,* King's taxes, etc. None of these things touches the foreign goods imported by us free of duty, and these goods in the country of their manufacture are not subjected to a handicap equal to that which hampers the production and the competing power of British goods. In this connection see Chapter XV.

These considerations should be noted, especially now that we are seeing some of the results partly brought about by our present method of trade—of which those in Chapter VIII. are a useful example.

With regard to the taxes on imports now dealt with, and with special reference to the taxes raised on imports into the United Kingdom, we have been content for many years not appreciably to broaden the basis of taxation on imports, although our national expenditure † has enormously increased.

Table 151 throws light upon this important matter of fiscal policy. It shows the Exchequer expenditure, the amount of import duties collected in the United Kingdom, and the proportion of import duties per £1000 of Exchequer expenditure.

We see that during 1880-1889 the Exchequer expenditure was 92·7 million £ yearly, and during 1901-1910 it was 166·3 million £ yearly; with a continuous rise during the intervening decades.

Looking now at the amount of import duties collected per £1000 of Exchequer expenditure, we see that this rate was £213 per £1000 of expenditure during 1880-1889, and £187 per £1000 during 1901-1910; with a large fall during most of the intervening decades.‡

* The excessive local taxation of Railways seriously interferes with low railway freights for goods in land transit. This handicaps our home trade. See Chapter I.

† National expenditure includes Exchequer *plus* Local expenditure. See Chapter XV.

‡ Observe that this fall in "Import Duties collected per £1000 of Exchequer Expenditure" was large and continuous even before we reached the war-period, when a large fall occurred.

Bearing in mind the constant and pressing necessity to raise money for Exchequer expenditure, and the great increase in our imports, notably in our imports of manufactured goods, which to a large extent compete with our own manufactured goods in our home market, a rational expectation surely is that we should take care that our vast imports do, at the least estimate, continue to yield their proportionate share of the money that has to be raised for Exchequer purposes. But, far from this reasonable condition having been fulfilled, we see here the clearest possible evidence that for many years we have allowed the receipts from import duties largely to decline, relatively to our Exchequer expenditure.

These results certainly point to a broadening of the basis of taxation in regard to imports, if merely for the sake of revenue purposes; for which purposes, it seems, we are not forbidden to tax our imports—see Table 146.

This conclusion does not touch the much wider question of the validity of the classic economic theory upon which our method of trade is based. Briefly, this theory is based upon the assumption that a trader's profit on the exchange of goods in foreign commerce is synonymous with national advantage. Good reasons could be shown why this assumption is not sound—see Chapter I. And the reasons that invalidate the foregoing assumption also lead to the conclusion that the foreign trade of a nation ought primarily to be directed towards the stimulating of national production. National production is a more valuable thing than traders' profits in foreign commerce; for a nation's welfare must ultimately rest upon production, not upon profit in the exchange of goods with foreign nations. See Chapter I.

It is often asserted, and apparently with sincerity of belief, although not with knowledge of fact, that a country cannot simultaneously raise revenue by taxing imports and also give protection to its home industries. It is imagined that these two things, the raising of revenue by import duties and the protecting of home industries, cannot possibly

coexist. It is asserted that a country can do only one of these two things:—It may raise revenue by taxing imports, or, it may protect its home industries by taxing imports. But, so it is alleged, a country can not possibly do both of these things at the same time.

TABLE 151.—UNITED KINGDOM: THE AMOUNT OF IMPORT DUTIES COLLECTED PER £1000 OF EXCHEQUER EXPENDITURE, 1880-1910.
Yearly Averages during each Decade.

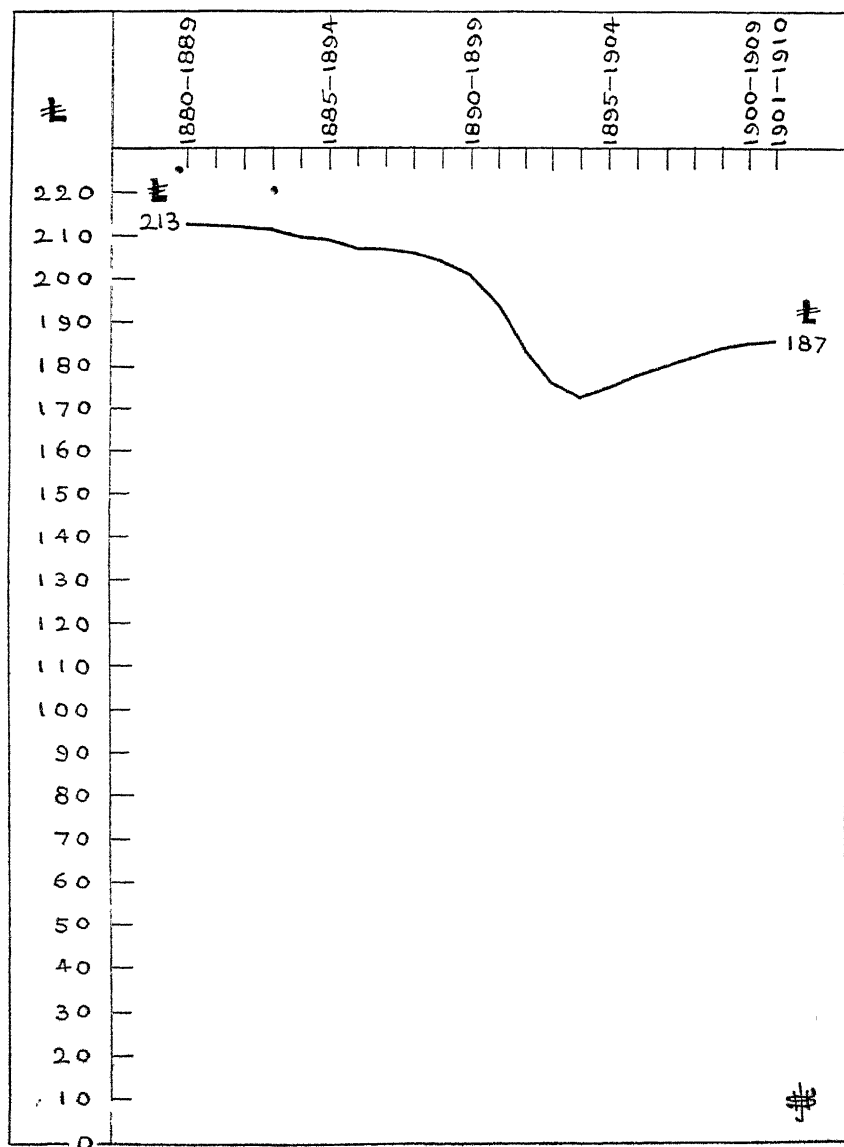
Decade (Years ended 31st March.)	Exchequer Expenditure.	Import Duties Collected.	Amount of Import Duties Collected per £1000 of Exchequer Expenditure.
	Million £.	Million £.	£ per 1000
1880—1889	92·7	19·7	213
1881—1890	93·1	19·8	213
1882—1891	93·8	19·9	212
1883—1892	94·5	19·9	211
1884—1893	94·8	19·9	210
1885—1894	95·5	19·9	209
1886—1895	96·0	19·9	207
1887—1896	96·7	20·0	207
1888—1897	98·0	20·2	206
1889—1898	99·9	20·4	204
1890—1899	102·3	20·6	201
1891—1900	107·5	20·9	194
1892—1901	117·4	21·6	184
1893—1902	128·3	22·6	176
1894—1903	138·1	23·9	173
1895—1904	143·9	25·1	175
1896—1905	149·0	26·5	178
1897—1906	153·5	27·6	180
1898—1907	157·5	28·6	182
1899—1908	161·5	29·7	184
1900—1909	164·9	30·4	185
1901—1910	166·3	31·1	187

Since the last issue of this book the Exchequer Expenditure has been officially revised retrospectively; therefore this table differs from the corresponding table in the last issue of this book.

Even theoretically, the impossibility of doing these two things simultaneously does not seem established. And, by the light of practical experience, the results in Tables 146 and 147 show conclusively that many countries have for many years actually done these two things simultaneously.

SHORTAGE OF OUR IMPORT DUTIES 345

DIAGRAM LXIII.—SEE TABLE 151. UNITED KINGDOM: SHOWING THE AMOUNT OF IMPORT DUTIES COLLECTED PER £1000 OF EXCHEQUER EXPENDITURE, 1880-1910. *Yearly Averages during each Decade.* THESE RESULTS SUGGEST THAT THE BASIS OF TAXATION SHOULD BE EXTENDED IN THE DIRECTION OF TAXING IMPORTS, IF ONLY FOR REVENUE PURPOSES.



Keep the base-line 0 in sight.

Example.—During the first decade, £213 of Import Duties were collected yearly per £1000 of Exchequer Expenditure; during the last decade, £187 per £1000. Our receipts from Import Duties have not kept pace with our Exchequer Expenditure.

They have protected their home industries (see Table 150), and they have also raised revenue. See Tables 146 and 147.

But, in this matter, Table 152 supplies a conclusive proof that the assertion above mentioned is wholly mistaken.

Look at Table 152. The United States work by a policy of high protection—see Tables 146 and 150. The United States have largely increased their amount of import duty collected—see Table 146. Thus the United States have simultaneously protected their home industries upon a very high level of protection, and they have also raised a large revenue by import duties—Table 152. And, as Table 146 shows, the United States have raised more revenue by import duties than has been raised by any other country.

Thus the ample evidence of fact wholly destroys the theory above quoted to the effect that a country cannot simultaneously protect its home industries and also raise revenue by taxing imports.

Table 152 also brings to light some other interesting facts bearing upon this matter of Fact *versus* Theory.

Dutiable imports into the United States have largely increased. An increase of 67 per cent. from the period 1890-1894 to the period 1905-1908. Also, and as is seen in the average results at the foot of Table 152, the proportion of Dutiable Imports to All Imports has increased—column (f).

Non-Dutiable imports into the United States have largely increased: from 1890-1894 to 1905-1908 the increase was 44 per cent.

Total imports into the United States have largely increased: from the period 1890-1894 to the period 1905-1908 the increase was 56 per cent.

Thus even a very high protective tariff such as that of the United States has not caused its imports to wither. But it is often stated that the taxing of imports must destroy a country's import trade and also its export trade. We shall see in Chapter XIII. that foreign protective nations have made

more advance in their imports and in their exports than has been made by the United Kingdom.

TABLE 152—THE UNITED STATES: SHOWING THAT A TARIFF CAN SIMULTANEOUSLY RAISE REVENUE AND ALSO GIVE PROTECTION TO THE HOME MANUFACTURING INDUSTRIES OF A COUNTRY.

Year.	General Imports into the United States.			Import Duty Collected on (a).		Dutiable Imports (a), per £100 of Total Imports (c).
	Dutiable Imports. (a)	Non-Dutiable Imports. (b)	Total Imports. (a + b) (c)	Amount. (d)	Per £100 of (a). (e)	
	Million £	Million £	Million £	Million £	Per cent	Per cent
1890	106	58	164	47	44	64
1891	97	79	176	45	46	55
1892	74	98	172	36	49	43
1893	83	97	180	41	50	46
1894	54	82	136	27	50	39
1895	74	78	152	31	42	48
1896	81	81	162	33	40	50
1897	85	74	159	36	42	53
1898	62	66	128	30	49	48
1899	80	65	145	42	52	55
1900	97	80	177	48	49	55
1901	98	73	171	48	50	57
1902	105	83	188	52	50	56
1903	119	95	214	58	49	56
1904	110	96	206	54	49	53
1905	119	114	233	54	45	51
1906	138	118	256	61	44	54
1907	161	138	299	69	43	54
1908	137	112	249	59	43	55
Yearly Average						
1890—1894	83	83	166	39	47	50
1895—1899	76	73	149	34	45	51
1900—1904	106	85	191	52	49	55
1905—1908	139	120	259	61	44	54

Based upon Cd. 4954, page 95. The above are all the years for which the facts are recorded. The amounts in column (d) are not in all cases identical with those upon which the results for the United States in Table 146 are based. The latter are taken from the Statistical Abstract for Foreign Countries, and they differ slightly from the amounts in Cd. 4954.

Note.—The Tariff of the United States is admittedly of a highly protective nature. See Tables 146, 148, 150.

Table 152 affords further evidence of the highly protective *

* See also Chapter I. for evidence as to the great progress of United States' Home Production, etc.

nature of the United States' tariff. For column (*e*) shows that the rate of import duty collected upon dutiable imports ranged from 40 to 52 per cent. of the value of dutiable imports.

The evidence of fact given in this chapter shows that we need not be deterred from altering our present tariff in the direction of taxing imports that compete with our home-produced goods, by the assertion that we could not simultaneously raise revenue by such import taxation and also protect our home industries; for that assertion is proved to be invalid. See also Chapter XV.

CHAPTER X

OUR TRADE WITH BRITISH COLONIES*

WE may now examine the course of our trade with British colonies and possessions, distinguishing the more important colonies, etc.

Perhaps the best way to rank these British colonies and possessions is in the order of their importance as buyers of special exports from the United Kingdom. And making this classification of all British colonies and possessions during 1880-1909, they take rank as follows:—

		Million £.
Leading Group.	1. British India	1004
	2. Commonwealth of Australia	559
	3. Dominion of Canada	255
	4. Cape of Good Hope	236
	5. Dominion of New Zealand	137
	6. Natal	92
	Total, Leading Group	2283
Smaller Group.	7. West India Islands and Guiana	
	8. Straits Settlements	
	9. Hong-Kong	459
	10. Ceylon	
	Other small Colonial buyers	
Total, Special Exports, excluding ships, to All British Colonies and Possessions, during the whole period 1880-1909		<u>2742</u>

The above are the ten principal and other colonial buyers of special exports from the United Kingdom. And of the ten named above, the first six are by far the most important;

* Based upon the 57th Statistical Abstract for the United Kingdom, and earlier volumes; upon the current and earlier volumes of the Annual Statement of the Trade of the United Kingdom.

for during 1880-1909 these six have bought 83 per cent. of our special exports to all British colonies and possessions. These six will therefore be dealt with separately, and all British colonies and possessions other than these first six will be treated in one group.

Some interesting results are seen by a comparison of the above statement with the corresponding statement in Chapter VII., relating to the total special exports to our five biggest foreign customers, page 237. }

For example, India's large lead as a buyer from us is notable, and places India far ahead of the United States—our biggest foreign customer. Australia has nearly equalled Germany as a buyer of our special exports. Canada and the Cape together bought more from us than France bought; and Canada and the Cape each nearly rank with Belgium as a customer of the United Kingdom. The total sales of our special exports to the Leading Group of six British colonies and possessions was 2283 million £ during 1880-1909; and special exports sold to our five biggest foreign customers—United States, Germany, France, Holland, Belgium—amounted to 2431 million £.

These comparisons and others that may be made by comparing the tables in this chapter with the tables in Chapter VII. show the great importance to us of British Colonial markets. And we may bear in mind that nearly all our sales of coal go to foreign countries. Moreover, as may be deduced from Table 73, no less than £88 per £100 of our special exports to British Colonies are manufactured goods. The corresponding proportion for our special exports to Foreign Countries being only £76 of manufactured goods per £100 of our special exports to foreign countries. See also Appendix C.

The above statement should be referred to when in the following tables our trade with each colony is being observed; for it shows the relative importance of each colony as a buyer of our exports.

COAL EXPORTS TO BRITISH COLONIES 351

It will not be necessary here to distinguish special exports of coal, as was necessary in Chapter VII., "Our Trade with Foreign Countries," for the reason that our exports of coal to British colonies and possessions are relatively trivial, and also because these exports have not appreciably increased during 1880-1909.

Our exports of coal to all British colonies and possessions have been as follows :—

<i>Yearly Averages during each Decade</i>			
Decade.	Million £.	Decade.	Million £.
1880—1889	1.5	1891—1900	1.7
1881—1890	1.6	1892—1901	1.7
1882—1891	1.7	1893—1902	1.8
1883—1892	1.8	1894—1903	1.8
1884—1893	1.7	1895—1904	1.9
1885—1894	1.8	1896—1905	1.9
1886—1895	1.7	1897—1906	1.9
1887—1896	1.8	1898—1907	1.9
1888—1897	1.7	1899—1908	1.9
1889—1898	1.7	1900—1909	1.9
1890—1899	1.7		

Thus our exports of coal to British colonies and possessions do not cause any distorting effect upon our special exports to British colonies, such as we have seen to be caused by our exports of coal to foreign countries relatively to all our special exports to foreign countries, necessitating the distinguishing of coal exports to foreign countries.

Table 153 shows the course of our trade with British India relatively to our population. There has been a large fall in our general imports from British India, with a recent partial recovery. These were £94.0 per 100 of our population during 1880-1889, and £77.9 per 100 of our population during 1900-1909.

Our special exports to India fell considerably and then rose. They were £85.4 per 100 of our population during 1880-1889, and £93.8 during 1900-1909. The fall in our re-exports to India has been from £4.1 per 100 of our population during 1880-1889 to £2.4 during 1900-1909.

352 OUR TRADE WITH BRITISH COLONIES

The course of our trade with British India, relatively to our population, has been on the down-grade for many years, with partial recovery in recent years, and with a recent rise in special exports to British India.

TABLE 153.—UNITED KINGDOM: TRADE WITH BRITISH INDIA, 1880-1909.
Yearly Averages during each Decade.

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.		
	General Imports from British India.	Special Exports * to British India.	Re-Exports to British India.
	£	£	£
1880—1889	94·0	85·4	4·1
1881—1890	94·0	85·6	4·1
1882—1891	93·2	85·4	3·9
1883—1892	89·8	84·4	3·8
1884—1893	85·7	82·8	3·7
1885—1894	83·1	81·8	3·4
1886—1895	81·0	79·9	3·2
1887—1896	78·4	78·8	3·0
1888—1897	76·3	77·3	2·8
1889—1898	74·7	75·9	2·6
1890—1899	71·9	75·2	2·4
1891—1900	69·8	73·6	2·2
1892—1901	68·0	73·8	2·0
1893—1902	66·9	74·2	1·9
1894—1903	67·8	74·9	1·8
1895—1904	69·3	76·8	1·8
1896—1905	71·0	80·5	2·0
1897—1906	73·3	83·3	2·1
1898—1907	77·1	88·2	2·2
1899—1908	76·8	91·8	2·3
1900—1909	77·9	93·8	2·4

* Excluding ships.

The Commonwealth of Australia ranks second to India as a buyer of our special exports.

The population test in Table 154 shows a rise in our general imports.

The fall in our special exports to Australia, relatively to our population, has been large. During 1880-1889 these were £53·5 per 100 of our population, and they were £46·7 during 1900-1909.

FALL IN OUR EXPORTS TO AUSTRALIA 353

Our re-exports have fallen from £6·5 per 100 of our population to £5·7.

Our export trade with Australia has been falling for many years, with some recovery in recent years. In a later chapter, we shall see the extent to which our trade rivals have been materially gaining position as sellers in the markets of Australia.

TABLE 154.—UNITED KINGDOM } TRADE WITH AUSTRALIA, 1880-1909.
Yearly Averages during each Decade.

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.				
	General Imports from Australia.	Special Exports to Australia.	Re-Exports to Australia.		
	£	£	£		
1880—1889	54·9	53·5	6·5		
1881—1890	54·6	54·7	6·6		
1882—1891	54·5	55·5	6·6		
1883—1892	54·7	53·6	6·3		
1884—1893	54·7	50·9	6·0		
1885—1894	54·6	48·6	5·7		
1886—1895	55·9	46·2	5·4		
1887—1896	56·8	45·5	5·3		
1888—1897	57·1	45·3	5·2		
1889—1898	56·5	43·5	4·9		
1890—1899	57·0	42·6	4·7		
1891—1900	57·2	42·7	4·7		
1892—1901	56·9	42·0	4·6		
1893—1902	55·6	42·4	4·6		
1894—1903	53·9	43·0	4·6		
1895—1904	53·4	43·6	4·9		
1896—1905	53·3	43·8	5·0		
1897—1906	54·7	43·9	5·1		
1898—1907	57·3	45·0	5·3		
1899—1908	58·9	45·8	5·5		
1900—1909	60·4	46·7	5·7		

Excluding ships.

The Dominion of Canada ranks third among the British Colonial buyers of our special exports.

The population test in Table 155 shows that the increase in our general imports from Canada has greatly exceeded the growth of our population. These imports were £29·8 per

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100 of our population during 1880-1889, and £58·5 during 1900-1909 : a large rise.

TABLE 155—UNITED KINGDOM: TRADE WITH CANADA, 1880-1909
Yearly Averages during each Decade
 POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.			
	General Imports from Canada.	Special Exports to Canada.	Re-Exports to Canada.	
	£	£	£	
1880—1889	29·8	21·6	2·7	
1881—1890	29·3	21·5	2·8	
1882—1891	29·4	21·0	2·8	
1883—1892	30·3	20·2	2·8	
1884—1893	30·4	19·5	2·9	
1885—1894	30·7	18·6	2·9	
1886—1895	31·2	18·1	2·8	
1887—1896	32·4	17·4	2·7	
1888—1897	34·5	16·5	2·7	A small Rise during the later Decades
1889—1898	37·1	16·0	2·7	
1890—1899	38·9	15·7	2·8	
1891—1900	41·1	†15·7	2·8	
1892—1901	42·6	†15·8	2·9	
1893—1902	44·4	†16·5	3·1	
1894—1903	47·4	†17·4	3·1	
1895—1904	49·4	†18·4	3·2	
1896—1905	52·1	†19·8	3·4	
1897—1906	55·0	†21·6	3·6	
1898—1907	56·5	†24·1	3·9	
1899—1908	57·4	†25·3	4·0	
1900—1909	58·5	†27·0	4·2	

* Excluding ships.

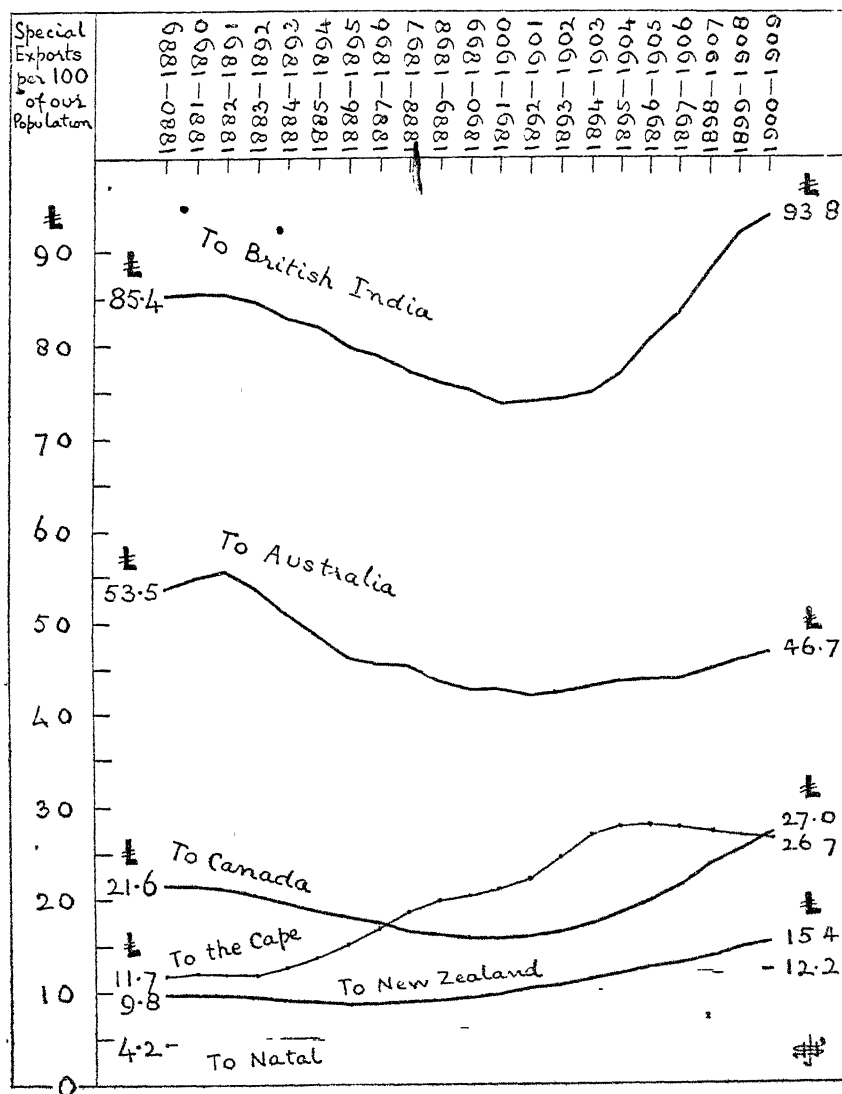
† In 1898 Canada gave Preferential treatment to Special Exports from the United Kingdom.

Our special exports to Canada failed to keep pace with the growth of our population during the greater part of Table 155. These exports were £21·6 per 100 of our population during 1880-1889, and £27·0 during 1900-1909. We see that during the more recent decades of Table 155 the fall was changed into a rise; probably owing to the giving of preferential treatment by Canada, in the year 1898, to these special exports.

Our re-exports to Canada have exceeded the growth of our population during the later decades of Table 155.

EXPORTS FROM U.K. TO BRITISH COLONIES 355

DIAGRAM LXIV.—UNITED KINGDOM. SEE TABLES 153, 154, 155, 156, 157, 158. SHOWING THE SPECIAL EXPORTS FROM THE UNITED KINGDOM TO EACH OF THE SIX PRINCIPAL BRITISH COLONIES AND POSSESSIONS, PER 100 OF THE POPULATION OF THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During 1880-1889, Special Exports from the United Kingdom to British India were £85.4 per 100 of the population of the United Kingdom; during 1900-1909 they were £93.8 per 100 of population, with a large intervening fall.

Observe the large Fall that occurred during the greater part of 1880-1909 in our Special Exports to our three principal Colonial Markets—British India, Australia, Canada. Canada's *British Preferential Tariff* came into force in the year 1898.

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We see that our trade with Canada has been vigorous in regard to our general imports, and long on the down-grade in regard to our special exports, with a considerable rise during the later decades. This rise has coincided with the granting of Preferential Tariff treatment of our goods by Canada.

The Cape of Good Hope ranks fourth.

Table 156 contains the results of the population test. Our general imports from the Cape have failed to keep pace with

TABLE 156—UNITED KINGDOM: TRADE WITH THE CAPE OF GOOD HOPE, 1880-1909. *Yearly Averages during each Decade.*

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.		
	General Imports from the Cape.	Special Exports * to the Cape.	Re-Exports to the Cape.
	£	£	£
1880—1889	13·4	11·7	1·0
1881—1890	13·3	11·9	1·0
1882—1891	13·2	11·8	1·0
1883—1892	12·8	11·7	1·0
1884—1893	12·5	12·6	1·1
1885—1894	12·2	13·6	1·2
1886—1895	12·3	15·1	1·3
1887—1896	12·3	17·1	1·4
1888—1897	12·2	18·7	1·5
1889—1898	12·3	19·9	1·6
1890—1899	12·2	20·3	1·6
1891—1900	11·7	20·9	1·7
1892—1901	11·5	22·2	1·9
1893—1902	11·5	24·6	2·1
1894—1903	11·5	27·0	2·2
1895—1904	11·5	27·9	2·3
1896—1905	11·5	28·0	2·4
1897—1906	11·6	27·7	2·4
1898—1907	12·2	27·4	2·4
1899—1908	12·3	26·8	2·4
1900—1909	12·8	26·7	2·4

* Excluding ships.

the growth of our population; these imports were £13·4 per 100 of our population during 1880-1889, and £12·8 during 1900-1909.

The large rise in our special exports to the Cape, shown in Table 156, has far exceeded the growth of our population. These exports were £11·7 per 100 of our population during 1880-1889, and £26·7 during 1900-1909—Table 156. The whole of this large increase in our special exports may not have been consumed within the geographical limits of the Cape Colony, some of it may have been sent on to other South African colonies; but however this may be, the increase in our special exports sent to the Cape has been large and nearly continuous, and here for the first time do we find a constantly vigorous condition of our special export trade with a British Dominion or colony.

Table 156 also shows that the increase in our re-exports to the Cape has exceeded the growth of our population; these exports were £1 per 100 of our population during 1880-1889, and £2·4 during 1900-1909.

The course of our trade with the Cape has declined in regard to our general imports, and it has vigorously increased in regard to our special exports.

New Zealand ranks fifth as a colonial buyer of our special exports.

Table 157 shows that the growth in our general imports from New Zealand largely exceeded the growth of our population. These imports were £15·4 per 100 of our population during the first decade and £32·2 during the last decade of Table 157; the rise being continuous throughout.

There was a continuous fall in our special exports during the first part of Table 157, followed by a continuous rise. Our special exports to New Zealand have, during the later decades, exceeded the growth of our population; our re-exports kept pace with the growth of our population.

Thus our import trade with New Zealand has been vigorous throughout, and our special export trade has been vigorous during the later part of Table 157.

Natal is the last of the six British colonies and possessions

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to be separately examined in regard to trade with the United Kingdom.

TABLE 157—UNITED KINGDOM· TRADE WITH NEW ZEALAND,
1880-1909 *Yearly Averages during each Decade.*

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.			
	General Imports from New Zealand.	Special Exports * to New Zealand.	Re-Exports to New Zealand.	
	£	£	£	
1880—1889	15.4	9.8	1.0	Nearly constant
1881—1890	16.1	9.8	1.1	
1882—1891	16.8	9.6	1.1	
1883—1892	17.5	9.3	1.1	
1884—1893	18.0	9.1	1.1	
1885—1894	18.4	8.8	1.1	
1886—1895	19.1	8.5	1.0	
1887—1896	19.8	8.6	1.0	
1888—1897	20.4	8.8	1.1	
1889—1898	21.0	9.0	1.1	
1890—1899	21.6	9.2	1.1	
1891—1900	22.2	9.7	1.1	
1892—1901	22.6	10.2	1.1	
1893—1902	23.2	10.6	1.1	
1894—1903	24.3	11.2	1.1	
1895—1904	25.1	11.8	1.1	
1896—1905	26.1	12.5	1.2	
1897—1906	27.7	13.1	1.2	
1898—1907	29.6	14.0	1.3	
1899—1908	30.6	14.9	1.3	
1900—1909	32.2	15.4	1.4	

* Excluding ships.

The population test in Table 158 shows slight fluctuation in our general imports from Natal, and a large rise in our special exports to Natal, which have grown much faster than our population.

Re-exports to Natal have also exceeded the growth of our population.

Our trade with Natal has been slack in regard to imports and vigorous in regard to exports.

We may now sum up the results concerning our trade with the six principal British colonies and possessions.

TABLE 158.—UNITED KINGDOM: TRADE WITH NATAL, 1880-1909.
Yearly Averages during each Decade.

POPULATION TEST.

Decade	Per 100 of the Population of the United Kingdom.		
	General Imports from Natal.	Special Exports to Natal.	Re-Exports to Natal.
	£	£	£
1880—1889	1·9	4·2	38
1881—1890	2·0	4·5	39
1882—1891	3·2	4·7	41
1883—1892	2·3	4·8	41
1884—1893	2·4	4·9	41
1885—1894	2·4	4·9	40
1886—1895	2·4	5·0	41
1887—1896	2·4	5·6	45
1888—1897	2·3	6·0	47
1889—1898	2·3	6·2	48
1890—1899	2·2	6·1	46
1891—1900	2·0	6·2	49
1892—1901	1·9	7·0	58
1893—1902	1·8	8·3	68
1894—1903	1·7	9·7	77
1895—1904	1·6	10·6	85
1896—1905	1·6	11·5	93
1897—1906	1·6	11·8	96
1898—1907	1·7	11·8	99
1899—1908	1·8	11·9	102
1900—1909	2·0	12·2	106

Excluding ships.

Our general imports from this leading group have risen nearly continuously—Table 159. These imports were 75·12 million £ yearly during 1880-1889, and 104·87 million £ yearly during 1900-1909: an increase of 297·5 million £ during the whole of the latter decade, or, 29·75 million £ per year.

There has been a large increase in our imports of bullion and specie: from 3·67 million £ yearly during 1880-1889 to 27·59 million £ yearly during 1900-1909: an increase of 239·2 million £ during the whole of the latter decade, or 23·92 million £ per year. This large increase in our imports of bullion and specie from this leading group of British colonies is mainly gold. And as has been shown in an earlier

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chapter, we have sent much of this gold to foreign countries in part payment of our imports from foreign countries.

TABLE 159.—UNITED KINGDOM: IMPORTS FROM THE LEADING GROUP OF SIX BRITISH COLONIES AND POSSESSIONS, 1880-1909 *Yearly Averages during each Decade*

Decade.	General Imports.	Imports of Diamonds. ¹	Imports of Bullion and Specie.
	Million £.	Million £	Million £
1880—1889	75·12	3·43	3·67
1881—1890	75·71	3·50	3·72
1882—1891	76·33	3·49	4·02
1883—1892	76·27	3·47	4·79
1884—1893	75·47	3·60	5·54
1885—1894	75·26	3·65	7·02
1886—1895	76·10	3·90	8·17
1887—1896	76·92	4·02	9·17
1888—1897	77·82	4·05	11·66
1889—1898	78·99	4·12	13·75
1890—1899	79·64	4·11	15·33
1891—1900	80·49	4·04	15·93
1892—1901	81·03	4·12	16·60
1893—1902	81·76	4·28	17·19
1894—1903	83·84	4·45	18·58
1895—1904	86·23	4·69	19·90
1896—1905	89·21	4·88	21·51
1897—1906	93·53	5·34	23·38
1898—1907	98·92	5·78	24·60
1899—1908	101·33	5·79	25·87
1900—1909	104·87	5·99	27·59

¹ Imported from the Cape of Good Hope.

The common impression that our imports and exports of bullion and specie from foreign countries practically balance each other, needs correction in this particular.

Special exports from the United Kingdom to this leading group of British colonies, Table 160, have risen during the later decades. These exports were 66·78 million £ yearly during 1880-1889, and 95·44 million £ yearly during 1900-1909: an increase of 286·6 million £ during the whole of the latter decade, or 28·66 million £ yearly.

Re-exports have not changed materially, and there has been a nearly continuous rise in our exports of bullion and specie to this leading group.

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TABLE 160.—UNITED KINGDOM: EXPORTS TO THE LEADING GROUP OF SIX BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade*

Decade	Special Exports.*	Re-Exports.	Exports of Bullion and Specie.
	Million £	Million £	Million £
1880—1889	66·78	5·67	6·97
1881—1890	67·95	5·76	7·53
1882—1891	68·54	5·78	7·55
1883—1892	67·63	5·65	7·68
1884—1893	66·64	5·61	8·08
1885—1894	65·90	5·46	7·74
1886—1895	65·19	5·34	8·12
1887—1896	65·85	5·32	8·34
1888—1897	66·24	5·26	8·58
1889—1898	66·03	5·18	8·64
1890—1899	66·14	5·09	8·79
1891—1900	66·58	5·10	8·89
1892—1901	68·09	5·18	9·37
1893—1902	71·02	5·39	9·54
1894—1903	74·38	5·55	9·52
1895—1904	77·59	5·84	10·28
1896—1905	81·17	6·14	10·39
1897—1906	84·18	6·41	11·68
1898—1907	88·85	6·75	12·60
1899—1908	92·31	7·04	13·13
1900—1909	95·44	7·41	13·17

* Excluding ships. During 1899-1909, Exports of Ships to this Leading Group averaged '96 million yearly (£960,000).

A notable feature of the course of trade, shown in Table 161, is the very large rise in our total imports. These were 82·22 million £ yearly during 1880-1889, and 138·45 million £ yearly during 1900-1909: an increase of no less than 562·3 million £ during the whole of the latter decade, or 56·23 million £ per year. This includes an increase of 239·2 million £ in our imports of bullion and specie, 23·92 million £ per year.

Our total exports to this leading group increased from 79·42 million £ yearly to 116·02 million £ yearly: an increase of 366 millions during the whole decade 1900-1909 as compared with the whole decade 1880-1889. This includes an increase of 62 million £ in our exports of bullion and specie.

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As our imports have increased much more than our exports, it follows that the excess of our imports has greatly increased. Table 161 shows this excess of imports to have been 2·80 million £ yearly during 1880-1889, and 22·43 million £ yearly during 1900-1909: an increase of 196·3 million £ in the excess of imports during the whole of the latter decade, or 19·63 million £ yearly.

TABLE 161.—UNITED KINGDOM: TRADE WITH THE LEADING GROUP OF SIX BRITISH COLONIES AND POSSESSIONS, 1880-1909 *Yearly Averages during each Decade.*

Decade.	All Imports <i>Total of Table 159.</i> A.	All Exports.† <i>Total of Table 160.</i> B.	Excess of Imports (A - B.)
	Million £.	Million £.	Million £.
1880—1889	82·22	79·42	2·80
1881—1890	82·93	81·24	1·69
1882—1891	83·84	81·87	1·97
1883—1892	84·53	80·96	3·57
1884—1893	84·61	80·33	4·28
1885—1894	85·93	79·10	6·83
1886—1895	88·17	78·65	9·52
1887—1896	90·11	79·51	10·60
1888—1897	93·53	80·08	13·45
1889—1898	96·86	79·85	17·01
1890—1899	99·08	80·02	19·06
1891—1900	100·46	80·57	19·89
1892—1901	101·75	82·64	19·11
1893—1902	103·23	85·95	17·28
1894—1903	106·87	89·45	17·42
1895—1904	110·82	93·71	17·11
1896—1905	115·60	97·70	17·90
1897—1906	122·25	102·27	19·98
1898—1907	129·30	108·20	21·10
1899—1908	132·99	112·48	20·51
1900—1909	138·45	116·02	22·43

* Including Diamonds from the Cape of Good Hope.

† Excluding ships.

Table 162 contains the results of the population test applied to our trade with the leading group of British colonies and possessions.

Our general imports fell for many years, and then rose largely. These imports were £209 per 100 of our population

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during 1880-1889, and £244 during 1900-1909. There was a continuous fall during the earlier decades of Table 162, followed by a large rise during the later decades.

TABLE 162.—UNITED KINGDOM: TRADE WITH THE LEADING GROUP OF SIX BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade*

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom.		
	General Imports.	Special Exports.	Re-Exports.
	<i>Table 159.</i>	<i>Table 160.</i>	<i>Table 160</i>
	£	£	£
1880—1889	209	186	15·8
1881—1890	209	188	15·9
1882—1891	209	188	15·8
1883—1892	207	184	15·4
1884—1893	204	180	15·1
1885—1894	201	176	14·6
1886—1895	202	173	14·2
1887—1896	202	173	14·0
1888—1897	203	172	13·7
1889—1898	204	170	13·4
1890—1899	204	169	13·0
1891—1900	204	169	12·9
1892—1901	203	171	13·0
1893—1902	203	177	13·4
1894—1903	206	184	13·7
1895—1904	210	190	14·2
1896—1905	216	196	14·8
1897—1906	224	202	15·3
1898—1907	234	210	16·0
1899—1908	238	216	16·5
1900—1909	244	222	17·2

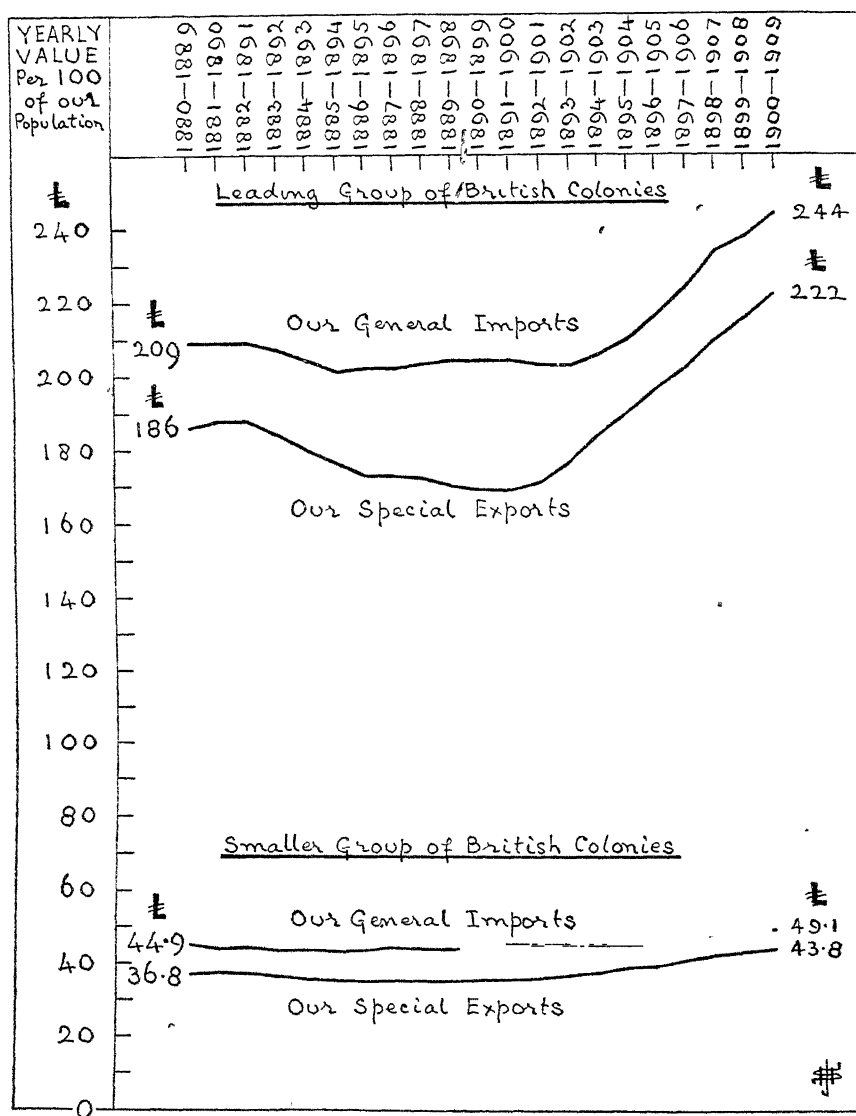
Excluding ships.

Special exports from the United Kingdom to this leading group of colonies fell for many years, and have risen rapidly in late years. These exports were £186 per 100 of our population during 1880-1889, and £222 during 1900-1909. The fall was almost continuous until the latter part of Table 162, when there was a rapid rise. And re-exports have fallen, with a rise at the end.

The net result of our trade with this leading group of six

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DIAGRAM LXV.—UNITED KINGDOM. SEE TABLES 162 AND 166. OUR TRADE WITH THE LEADING GROUP OF SIX BRITISH COLONIES AND POSSESSIONS, AND WITH THE SMALLER GROUP, 1880-1909, PER 100 OF THE POPULATION OF THE UNITED KINGDOM. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

The Exports exclude ships, not recorded until 1899.

Example.—Special Exports from the United Kingdom to the Leading Group of Six British Colonies and Possessions were £186 per 100 of our population during 1880-1889, and £222 during 1898-1909, with a large intervening Fall.

Observe the large Rise in recent years as regards the Leading Group; and see Chapter XI. for our position as a seller in British Colonial Markets, relatively to the position of other sellers in these Markets.

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British colonies and possessions is, that for many years our trade did not keep pace with the growth of our population, as regards general imports, special exports, and re-exports. And this fall has been followed by a large rise in recent years. See Table 162. The rise has probably been assisted, if not wholly caused, by the Preferential Trade treatment given to British goods by Canada, the Cape, Natal, New Zealand, Australia.

We come now to our trade with the smaller group of British colonies and possessions; the most important of these are:—

West India Islands and British Guiana.

Straits Settlements.

Hong-Kong.

Ceylon.

These and all the other less important colonies are now dealt with in one group.

TABLE 163.—UNITED KINGDOM: IMPORTS FROM THE SMALLER GROUP OF BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	General Imports.	Imports of Bullion and Specie.
	Million £.	Million £
1880—1889	16·10	*·69
1881—1890	15·88	·77
1882—1891	16·06	·92
1883—1892	15·97	1·06
1884—1893	16·09	1·20
1885—1894	16·12	1·34
1886—1895	16·41	1·44
1887—1896	16·73	1·57
1888—1897	16·86	1·51
1889—1898	16·98	1·47
1890—1899	17·29	1·46
1891—1900	17·78	1·45
1892—1901	17·86	1·40
1893—1902	18·03	1·31
1894—1903	18·13	1·37
1895—1904	18·34	1·39
1896—1905	18·58	1·40
1897—1906	19·15	1·83
1898—1907	20·06	2·00
1899—1908	20·65	2·13
1900—1909	21·11	2·24

* ·69 million £ = £690,000.

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Table 163 shows a small and nearly continuous rise in our general imports from this smaller group. These imports were 16·10 million £ yearly during 1880-1889, and 21·11 million £ yearly during 1900-1909.

Imports of bullion and specie rose.

Special exports to this smaller group have risen continuously since 1886-1895. There has been but little change in re-exports. Our exports of bullion and specie rose during the greater part of Table 164, and then fell.

TABLE 164.—UNITED KINGDOM: EXPORTS TO THE SMALLER GROUP OF BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Special Exports.*	Re-Exports.	Exports of Bullion and Specie.
	Million £.	Million £	Million £.
1880—1889	13·27	1·48	†·90
1881—1890	13·31	1·48	1·01
1882—1891	13·38	1·47	1·24
1883—1892	13·29	1·50	1·36
1884—1893	13·15	1·49	1·61
1885—1894	13·09	1·48	1·83
1886—1895	13·03	1·44	1·98
1887—1896	13·22	1·45	2·07
1888—1897	13·37	1·45	2·09
1889—1898	13·51	1·45	2·17
1890—1899	13·80	1·45	2·04
1891—1900	13·97	1·48	2·09
1892—1901	14·31	1·49	2·02
1893—1902	14·68	1·48	2·00
1894—1903	15·11	1·51	1·79
1895—1904	15·68	1·52	1·60
1896—1905	16·33	1·56	1·45
1897—1906	16·96	1·57	1·44
1898—1907	17·76	1·61	1·58
1899—1908	18·32	1·64	1·50
1900—1909	18·89	1·65	1·42

Excluding ships. During 1899-1909, Exports of Ships to this Smaller Group averaged 15 million £ yearly (£150,000) †·90 million £ = £900,000.

Table 165 shows a nearly continuous rise in our total imports from this smaller group, a continuous rise in our total exports, and the excess of imports has not varied materially.

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TABLE 165.—UNITED KINGDOM: TRADE WITH THE SMALLER GROUP OF BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade*

Decade.	All Imports. <i>Total of Table 163.</i> A.	All Exports. <i>Total of Table 164.</i> B.	Excess of Imports. (A - B.)
	Million £.	Million £.	Million £.
1880—1889	16.79	15.65	1.14
1881—1890	16.65	15.80	.85
1882—1891	16.98	16.09	.89
1883—1892	17.03	16.15	.88
1884—1893	17.29	16.25	1.04
1885—1894	17.46	16.40	1.06
1886—1895	17.85	16.45	1.40
1887—1896	18.30	16.74	1.56
1888—1897	18.37	16.91	1.46
1889—1898	18.45	17.13	1.32
1890—1899	18.75	17.29	1.46
1891—1900	19.23	17.54	1.69
1892—1901	19.26	17.82	1.44
1893—1902	19.34	18.16	1.18
1894—1903	19.50	18.41	1.09
1895—1904	19.73	18.80	.93
1896—1905	19.98	19.34	.64
1897—1906	20.98	19.97	1.01
1898—1907	22.06	20.95	1.11
1899—1908	22.78	21.46	1.32
1900—1909	23.35	21.96	1.39

* Excluding ships.

Applying the population test to our trade with the smaller group of British colonies, Table 166, we see that our general imports have practically kept pace with the growth of our population, with a rise at the end.

Our special exports fell during the earlier decades, and have risen continuously since 1886-1895, and our re-exports have not kept pace with the growth of our population.

Our trade with British colonies and possessions as a whole has been dealt with in earlier chapters; thus it is not necessary to repeat the summary here.

But Table 167 relates to our special exports to all British colonies and possessions per 100 of our population; and

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it distinguishes the two main groups of British colonies. A notable feature is the remarkable regularity in the relation

TABLE 166.—UNITED KINGDOM. TRADE WITH THE SMALLER GROUP OF BRITISH COLONIES AND POSSESSIONS, 1880-1909 *Yearly Averages during each Decade*

POPULATION TEST.

Decade.	Per 100 of the Population of the United Kingdom		
	General Imports <i>Table 163.</i>	Special Exports. ^a <i>Table 164.</i>	Re-Exports. <i>Table 164.</i>
	£	£	£
1880—1889	44·9	36·8	4·12
1881—1890	43·9	36·9	4·12
1882—1891	44·1	36·7	4·03
1883—1892	43·4	36·1	4·08
1884—1893	43·5	35·4	4·07
1885—1894	43·2	35·0	3·96
1886—1895	43·5	34·5	3·82
1887—1896	44·0	34·8	3·81
1888—1897	43·9	34·8	3·77
1889—1898	43·8	34·8	3·74
1890—1899	44·2	35·2	3·71
1891—1900	45·0	35·5	3·75
1892—1901	44·9	35·9	3·74
1893—1902	44·9	36·5	3·68
1894—1903	44·8	37·3	3·71
1895—1904	44·8	38·4	3·72
1896—1905	44·9	38·8	3·77
1897—1906	45·8	40·4	3·76
1898—1907	47·5	42·1	3·81
1899—1908	48·7	42·9	3·85
1900—1909	49·1	43·8	3·83

^a Excluding ships.

between our special exports to Group I. and to Group II. respectively. Throughout Table 167, the more important group bought approximately five times as much of our special exports as was bought by the smaller group of British colonies. This result is very different from that shown in Table 123, which relates to our special exports other than coal to each of the two groups of foreign countries. The group of our big foreign customers, Table 123, has largely failed as a buyer of our exports.

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Comparison of the results in this chapter with those in Chapter VII. shows that our sales to British colonies have

TABLE 167.—UNITED KINGDOM: SPECIAL EXPORTS,* PER 100 OF OUR POPULATION, TO BRITISH COLONIES AND POSSESSIONS (GROUP I.—TO BRITISH INDIA, AUSTRALIA, CANADA, THE CAPE OF GOOD HOPE, NEW ZEALAND, NATAL GROUP II. — TO ALL OTHER BRITISH COLONIES AND POSSESSIONS) DURING 1880-1909 *Yearly Averages during each Decade.*

Decade.	Special Exports to British Colonies and Possessions per 100 of our Population.		
	To Group I.†	To Group II.	Total.
	<i>Table 162.</i>	<i>Table 166 ‡</i>	<i>Table 58.</i>
	A.	B.	(A + B.)
	£	£	£
1880—1889	186	37	223
1881—1890	188	37	225
1882—1891	188	37	225
1883—1892	184	36	220
1884—1893	180	35	215
1885—1894	176	35	211
1886—1895	173	34	207
1887—1896	173	35	208
1888—1897	172	35	207
1889—1898	170	35	205
1890—1899	169	35	204
1891—1900	169	35	204
1892—1901	171	36	207
1893—1902	177	36	213
1894—1903	184	37	221
1895—1904	190	38	228
1896—1905	196	39	235
1897—1906	202	40	242
1898—1907	210	42	252
1899—1908	216	43	259
1900—1909	222	44	266

* Excluding ships.

† Group I. is made up of our Six Biggest Colonial Customers.

‡ Here stated to the nearest £

Note. — The relation between column A and column B is remarkably regular. Throughout this Table, our exports to Group I. are approximately five times as large as our exports to Group II; and the prolonged fall, with a rise at the end, is common to both Groups. There is no such variation between these two Colonial Groups as that which is seen in Table 123, relating to the two Groups of Foreign Countries

been more progressive than our sales to foreign countries. But in this connection a necessary precaution is to ascertain

what is the advance made by our trade rivals in the markets of British colonies, as compared with the progress made by the United Kingdom. Are we holding our position as a seller in British colonial markets? Have we obtained our share of the largely increased imports into British colonies? It is obvious that mere examination of the progress or regress in the exports that leave the United Kingdom for British colonies does not throw any light upon this much more important matter of the gain or loss of position by the United Kingdom as a seller in the markets of British colonies. Chapter XI. deals with this important question.

CHAPTER XI

SELLERS IN BRITISH COLONIAL MARKETS *

GOING outside of the United Kingdom and examining the trade records of British colonies and possessions, we come to an interesting and important part of this inquiry into the course of trade; we broaden the fact-base, and by observing the course of trade in regard to countries other than our own, we may obtain information that is more useful than that which we can get by looking into the trade records of the United Kingdom.

Moreover, we have the advantage of using many other records independent of our own trade records. We will examine the import trade of the twelve principal British colonies and possessions, in regard to their imports from All Countries and their imports from the United Kingdom.

The order of precedence may properly be determined by the respective values of the imports from All Countries into each British colony or possession during 1880-1909. This order is as follows:—

Imports into the undermentioned British Colonies and Possessions from
All Countries during the whole period 1880-1909.

	Million £.		Million £
1. British India	*2904	7 Ceylon	173
2. Australian Commonwealth	1069	8. Natal	167
3. Dominion of Canada . . .	975	9. West Indies	163
4 Straits Settlements . . .	755	10. Mauritius	*88
5. Cape of Good Hope . . .	432	11. British Guiana	49
6. Dominion of New Zealand	281	12. Newfoundland	48

* The rupee for British India and Mauritius is converted above at the par value of 2s.

* Based upon the 47th and earlier Statistical Abstracts for British Colonies and Possessions.

Before showing the course of trade in each of these twelve colonies and possessions, it may be useful to state that British Preferential Tariff Treatment is accorded as follows :—

The Australian Commonwealth gives preferential treatment in its tariff upon imports to goods that are the produce or manufacture of the United Kingdom, equal to about 13 per cent.

The Dominion of New Zealand accords preferential treatment to goods of British produce or manufacture imported from all parts of the British Dominions, including, of course, the United Kingdom—a preference of 10 per cent. on our goods.

British South Africa (South African Customs Union) gives preferential treatment to goods that are the produce or manufacture of the United Kingdom, Canada, Australia, New Zealand—a preference of 25 per cent. on our goods.

The Dominion of Canada gives a preference in its tariff to goods of British produce or manufacture, imported from the United Kingdom, British India, Ceylon, Straits Settlements, New Zealand, British South Africa, Bermuda, British West Indies, British Guiana—a preference of $33\frac{1}{3}$ per cent. on our goods.

In addition to or included in the above instances of preferential treatment, reciprocal agreements have been entered into between :—

- (1) Australia and British South Africa.
- (2) New Zealand and British South Africa.
- (3) Canada and Australia.
- (4) Canada and New Zealand.
- (5) Canada and South Africa.
- (6) Canada and the West Indies.
- (7) Australia and New Zealand.

As regards the United Kingdom, the above preferences in colonial tariffs have not been in force for a time sufficient to produce much effect upon the “yearly averages during

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each decade" shown in the following tables. Although, as regards Canada, Table 170, the improvement at the end of the table in imports from the United Kingdom is probably due to the working of Canada's *British Preferential Tariff* since 1898. British colonies have expressed their desire to enter upon much extended preferential trade with the United Kingdom—a desire that was completely frustrated at the Imperial Conference in London in the year 1907.

The foregoing statement supplies ample evidence of the desire for Imperial Consolidation of trade interests. A sound policy initiated by the junior partners, and from which the senior partner in our Imperial Trade stands aloof, hampered by economic superstition, by a narrow outlook upon the real conditions of modern international commerce, and by a prolonged and numbing habit of receiving guidance from mere brain-spun economic theory in place of from the investigation of actual economic fact.

BRITISH INDIA'S IMPORTS, Table 168 :—British India's imports from All Countries rose largely and continuously. They were 685 million rupees yearly during 1880-1889, and 1333 million rupees yearly during 1900-1909 : an increase of 648 million rupees yearly during the latter decade, or at 2s. per rupee, an increase of 64·8 million £ yearly.

British India's imports from the United Kingdom also rose largely : from 518 million rupees yearly during 1880-1889 to 872 million rupees yearly during 1900-1909 ; but this rise was not so large relatively as the rise in India's imports from All Countries. Therefore, and as we see in Table 168, there has been a continuous fall in the proportion of British India's imports from the United Kingdom relatively to British India's imports from All Countries. During 1880-1889, 75·6 per cent. of British India's imports came from the United Kingdom, and during 1900-1909, only 65·4 per cent.

British India is the largest customer of the United Kingdom, foreign or colonial.

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Some foreign countries from which British India's imports have largely increased are Belgium, Austria - Hungary,

TABLE 168 —IMPORTS* INTO BRITISH INDIA FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade*

Decade.	Imports from All Countries. A.	Imports from United Kingdom f B.	Test Percentage Proportion of B to A.
	Million Rupees	Million Rupees	Per cent
1880—1889	685	518	75·6
1881—1890	718	544	75·7
1882—1891	750	563	75·0
1883—1892	774	576	74·4
1884—1893	792	589	74·3
1885—1894	819	605	73·9
1886—1895	833	614	73·7
1887—1896	848	620	73·1
1888—1897	864	628	72·6
1889—1898	880	633	72·0
1890—1899	886	630	71·1
1891—1900	896	630	70·3
1892—1901	908	633	69·7
1893—1902	933	647	69·3
1894—1903	961	657	68·4
1895—1904	996	669	67·1
1896—1905	1057	696	65·9
1897—1906	1114	734	65·9
1898—1907	1187	781	65·8
1899—1908	1272	832	65·4
1900—1909	1333	872	65·4

* Imports by Sea, including Bullion and Specie. Not including Imports by Land ("frontier trade") from various Asiatic States.

At the par value of the rupee, 10 rupees = £1; but the conversion value of the rupee has fallen considerably below 2s.

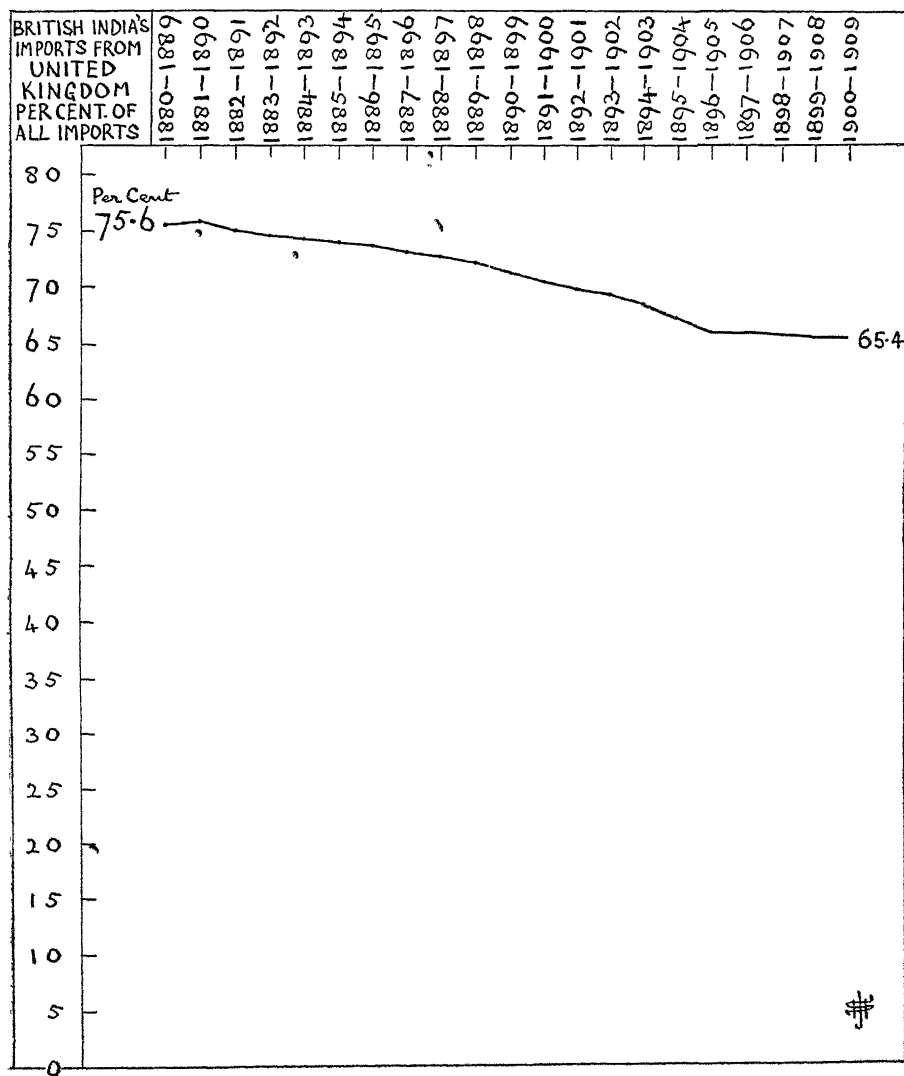
Germany, United States, France, Russia. These countries have taken the position lost by us in British India.

AUSTRALIA'S IMPORTS, Table 169 :—Australia's imports in Table 169 do not include the inter-State trade; that is to say, the imports exclude the trade between the six parts of the Australian Commonwealth, New South Wales, Victoria, South Australia, Queensland, West Australia, Tasmania.

Imports from All Countries into Australia rose during the

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DIAGRAM LXVI.—SEE TABLE 168. THE UNITED KINGDOM'S SHARE OF BRITISH INDIA'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight

Example.—During the first decade, the United Kingdom supplied British India with £75.6 per £100 of British India's Imports; during the last decade, our share was £65.4 per £100. British India is the biggest customer of the United Kingdom, foreign or colonial.

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first three decades of Table 169, and then fell during a long period. There was a rise during the later decades. Comparing the first and the last decades of Table 169, we see that imports into Australia from All Countries were 33·5 million £ yearly during 1880-1889, and 43·5 million £ yearly during 1900-1909.

TABLE 169.—IMPORTS * INTO THE AUSTRALIAN COMMONWEALTH FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909.
Yearly Averages during each Decade

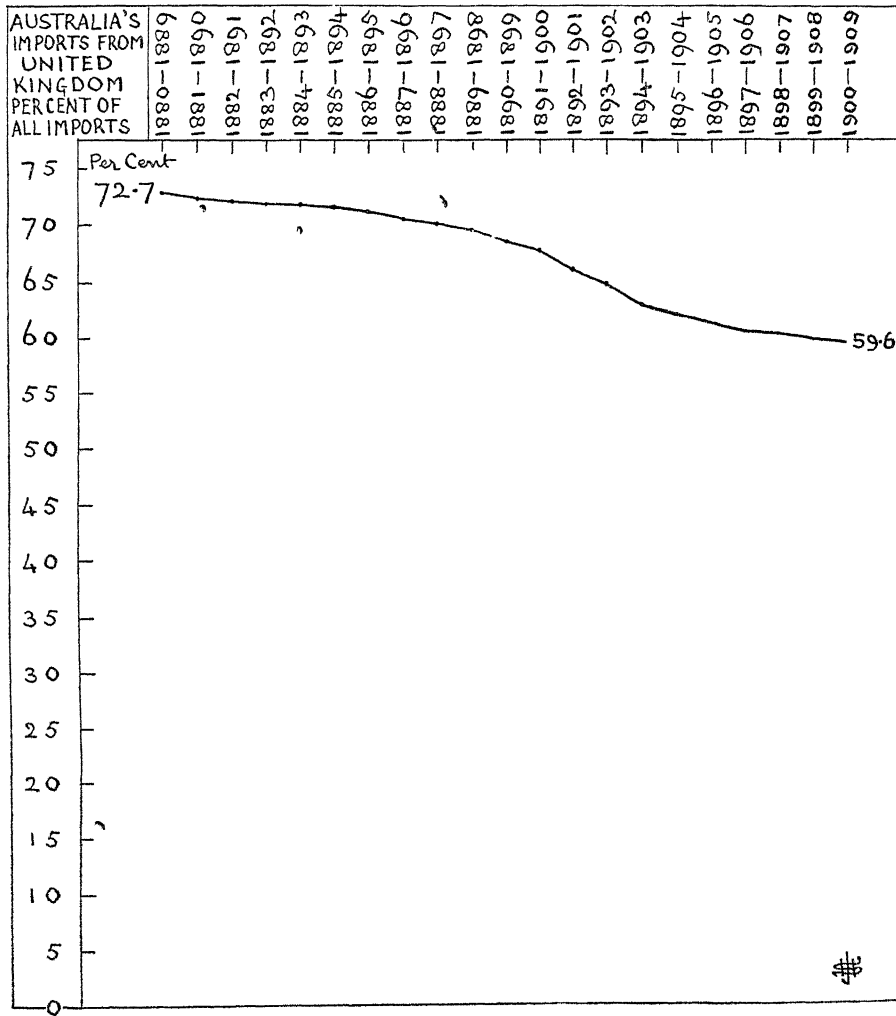
Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	Test. Percentage Proportion of B to A.
	Million £	Million £	Million £
1880—1889	33·5	24·3	72·7
1881—1890	34·7	25·1	72·2
1882—1891	35·6	25·6	72·0
1883—1892	35·0	25·1	71·7
1884—1893	33·8	24·2	71·6
1885—1894	32·3	23·1	71·4
1886—1895	30·9	22·0	71·0
1887—1896	30·5	21·5	70·6
1888—1897	30·8	21·5	69·9
1889—1898	30·2	21·0	69·3
1890—1899	29·9	20·5	68·5
1891—1900	30·5	20·6	67·6
1892—1901	31·0	20·5	66·2
1893—1902	32·1	20·8	64·8
1894—1903	33·5	21·0	62·8
1895—1904	35·0	21·7	62·0
1896—1905	36·5	22·4	61·3
1897—1906	38·0	23·0	60·5
1898—1907	40·0	24·1	60·2
1899—1908	41·8	25·0	59·7
1900—1909	43·5	26·0	59·6

* Including Bullion and Specie. Not including the Inter-State Trade of the six parts of the Commonwealth.

A somewhat similar course of trade is seen with regard to Australia's imports from the United Kingdom, with the exceptions that the prolonged fall was more marked and the recovery much less marked, than in regard to Australia's imports from All Countries. During 1880-1889 Australia's imports from the United Kingdom were 24·3 million £ yearly,

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DIAGRAM LXVII.—SEE TABLE 169 THE UNITED KINGDOM'S SHARE OF AUSTRALIA'S IMPORTS, 1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example—During the first decade, the United Kingdom supplied Australia with £72.7 per £100 of Australia's Imports; during the last decade, our share was £59.6 per £100.

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and during 1900-1909 they were 26 million £ yearly : a rise of 1·7 million £ yearly. But there was a large intervening fall.

The proportion of Australia's imports from the United Kingdom fell continuously : from 72·7 per cent. of all imports during 1880-1889 to 59·6 per cent. during 1900-1909.

Some of the principal foreign countries from which Australia's imports have largely increased are the United States, Germany, France, Belgium, Japan. These countries have gained the position lost by us in the Australian market.

The DOMINION OF CANADA'S IMPORTS, Table 170 :—The rise in Canada's imports from All Countries was from 21·3

TABLE 170.—IMPORTS * INTO THE DOMINION OF CANADA FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

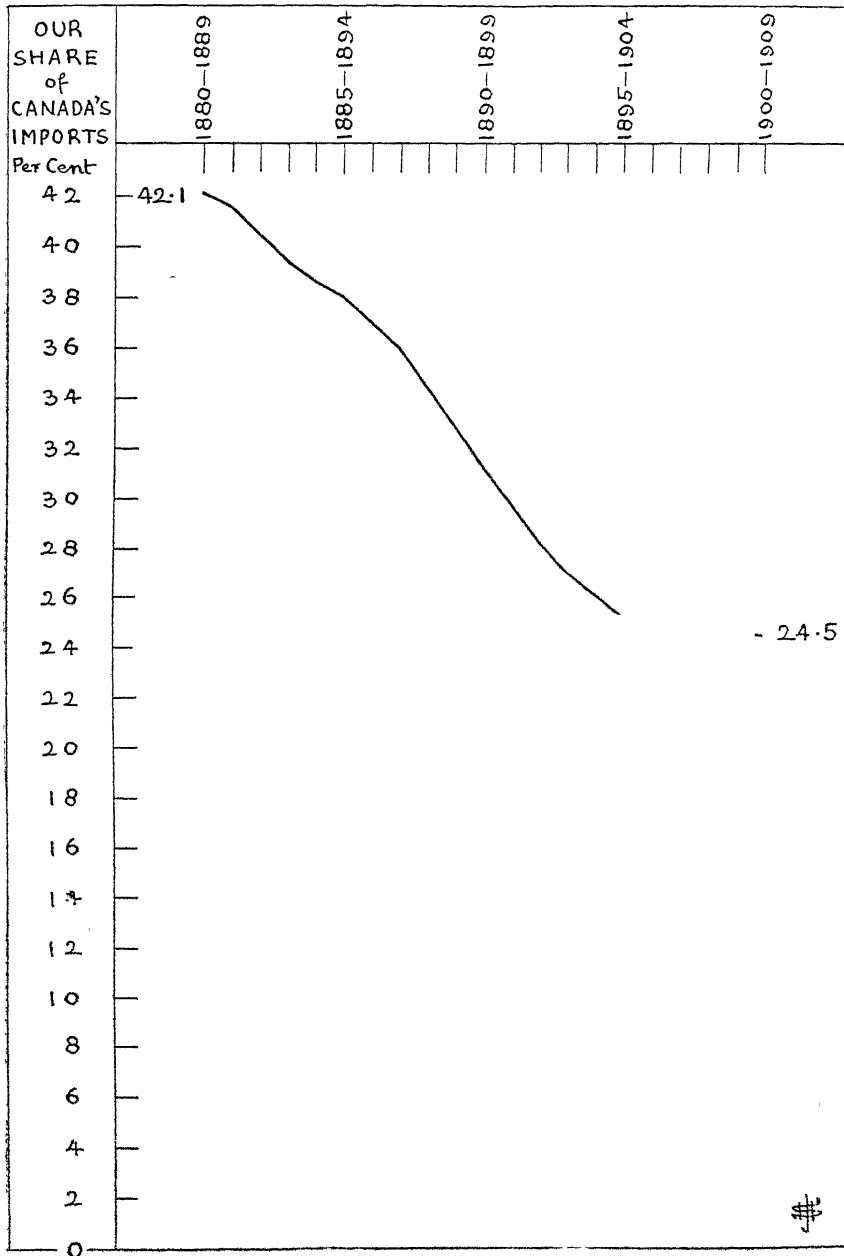
Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million £	Million £.	Per cent.
1880—1889	21·3	8·97	42·1
1881—1890	22·1	9·14	41·5
1882—1891	22·5	9·10	40·4
1883—1892	22·6	8·89	39·4
1884—1893	22·5	8·70	38·6
1885—1894	22·6	8·59	38·0
1886—1895	22·6	8·36	37·0
1887—1896	22·8	8·21	36·0
1888—1897	23·0	7·89	34·4
1889—1898	23·5	7·75	32·9
1890—1899	24·4	7·64	31·2
1891—1900	25·8	†7·67	29·7
1892—1901	27·2	†7·69	28·2
1893—1902	29·0	†7·85	27·1
1894—1903	31·3	†8·17	26·1
1895—1904	34·2	†8·65	25·3
1896—1905	37·4	†9·25	24·7
1897—1906	41·1	†9·99	24·3
1898—1907	44·1	†10·72	24·3
1899—1908	48·8	†12·00	24·6
1900—1909	51·7	†12·69	24·5

* Imports for Consumption in Canada, including Bullion and Specie.

† Canada's *British Preferential Tariff* came into force in 1898. The Canadian dollar has been converted into £, at the conversion value of 4s. 2d. during 1880-1885, at 4s. 1½d. during 1886-1909.

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DIAGRAM LXVIII—SEE TABLE 170 THE UNITED KINGDOM'S SHARE OF CANADA'S IMPORTS, 1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied Canada with £42.1 per £100 of Canada's imports; during the last decade, with £24.5 per £100. The fall has been checked in recent years, owing probably to Canada's British Preferential Tariff.

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million £ yearly during 1880-1889 to 51·7 million £ yearly during 1900-1909: an increase of 304 million £ during the whole decade 1900-1909, or 30·4 million £ yearly.

Canada's imports from the United Kingdom fell nearly continuously. The fall was converted into a rise during the last part of Table 170, owing, probably, to the operation of Canada's *British Preferential Tariff* since 1898. Canada's imports from the United Kingdom were 8·97 million £ yearly during 1880-1889, and 12·69 million £ yearly during 1900-1909: a rise of 3·72 million £ yearly during the latter decade.

The proportion of Canada's imports from the United Kingdom was 42·1 per cent. of all Canada's imports during 1880-1889, and only 24·5 per cent. during 1900-1909; the large fall being continuous until it was stopped in recent decades.

Some of the foreign countries from which Canada's imports have largely increased are, United States, Germany, France, Belgium, Japan and China, Holland.

With regard to Canada's imports from the United Kingdom. Until 1898, the year of the preferential tariff, these imports had nearly continuously fallen. Here are some of the yearly results before and after the tariff year.

CANADA'S IMPORTS FROM THE UNITED KINGDOM.

	Million £.			Million £.
1887	9·2		*1898	6·7
1888	8·1		*1899	7·6
1889	8·7		*1900	9·2
1890	8·9		*1901	8·8
1891	8·6		*1902	10·1
1892	8·5	A Fall	*1903	12·1
1893	8·9		*1904	12·7
1894	8·0		*1905	12·4
1895	6·4		*1906	14·2
1896	6·8		*1907	13·3
1897	6·0		*1908	19·5
			*1909	14·5
			*1910	19·6

* Years of Canada's *British Preferential Tariff*.

This improvement during 1898-1910 has been coincident with the operation of the preferential tariff; and it has

FALL IN OUR SHARE OF STRAITS' IMPORTS 381

probably been caused by the Canadian Preference given to our goods.

STRAITS SETTLEMENTS' IMPORTS, Table 171:—The continuous rise in imports from All Countries has been from 18·4 million £ yearly during 1880-1889 to 34·7 million £ yearly during 1900-1909: an increase of 163 million £ during the whole of the latter decade.

TABLE 171.—IMPORTS * INTO THE STRAITS SETTLEMENTS (SINGAPORE, PENANG, AND MALACCA) FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million £.	Million £.	Per cent
1880—1889	18·4	3·76	20·4
1881—1890	19·5	3·80	19·5
1882—1891	20·1	3·76	18·7
1883—1892	20·4	3·68	18·0
1884—1893	20·6	3·49	17·0
1885—1894	20·9	3·35	16·0
1886—1895	21·2	3·24	15·2
1887—1896	21·6	3·19	14·7
1888—1897	21·7	3·12	14·4
1889—1898	21·8	3·05	14·0
1890—1899	22·4	2·96	13·2
1891—1900	23·1	2·89	12·5
1892—1901	23·9	2·86	12·0
1893—1902	24·9	2·84	11·4
1894—1903	26·3	2·91	11·1
1895—1904	27·6	2·92	10·6
1896—1905	28·8	3·04	10·5
1897—1906	30·5	3·21	10·5
1898—1907	32·5	3·51	10·8
1899—1908	33·8	3·64	10·8
1900—1909	34·7	3·74	10·8

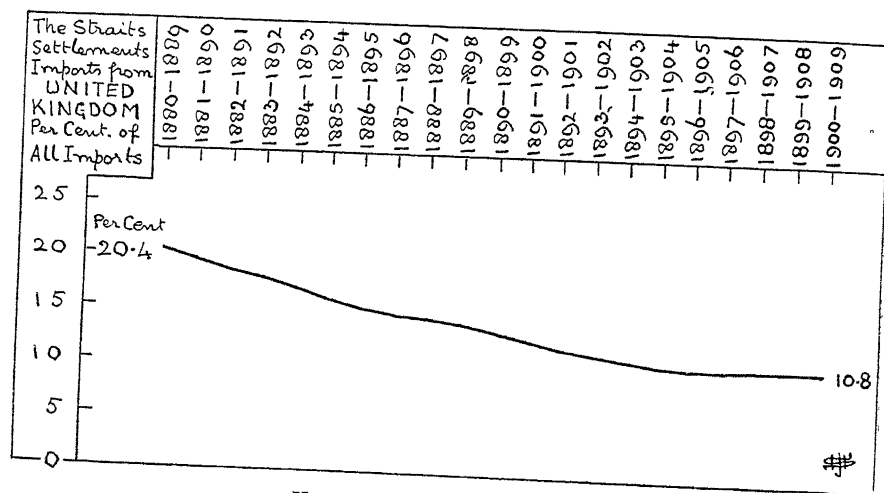
* Including Bullion and Specie. Not including Inter-Settlement Trade. The dollar has been converted into £ at rates decreasing from 3s. 8½d. per dollar during 1880 to 2s. 4d. per dollar during 1909, with intervening fluctuations.

Compared with this rise, the imports into the Straits Settlements from the United Kingdom fell nearly continuously, with some recovery at the end: from 3·76 million £ to 3·74 million £. But there was a prolonged intervening fall.

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Thus the proportion of imports into the Straits Settlements from the United Kingdom has fallen largely. During 1880-1889, 20·4 per cent. of all imports were imports from the United Kingdom, and during 1900-1909 only 10·8 per cent.

DIAGRAM LXIX—SEE TABLE 171. THE UNITED KINGDOM'S SHARE OF THE STRAITS SETTLEMENTS' IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied the Straits Settlements with 20·4 per £100 of the Straits Settlements' Imports; during the last decade, our share was £10·8 per £100.

Imports into the Straits Settlements from the following foreign countries have largely increased :—Dutch Possessions, Siam, Japan, China, Germany, French Possessions, Italy, Belgium, Holland.

CAPE OF GOOD HOPE'S IMPORTS, Table 172 :—There has been a very large rise in imports from All Countries into the Cape of Good Hope, some of these goods being for transit into the interior of South Africa. The rise was from 7·22 million £ yearly during 1880-1889 to 21·68 million £ yearly during 1900-1909 : an increase of 144·6 million £ during the whole of the latter decade.

And Cape imports from the United Kingdom also rose

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largely; from 5·8 million £ yearly during 1880-1889 to 13·59 million £ yearly during 1900-1909: an increase of 77·9 million £ during the whole of the latter decade.

TABLE 172.—IMPORTS* INTO THE CAPE OF GOOD HOPE FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million £. ²	Million £.	Per cent
1880—1889	7·22	5·80	80·3
1881—1890	7·42	6·03	81·3
1882—1891	7·30	5·96	81·6
1883—1892	7·29	5·97	81·9
1884—1893	7·77	6·40	82·4
1885—1894	8·40	6·91	82·3
1886—1895	9·81	8·10	82·6
1887—1896	11·29	9·13	80·9
1888—1897	12·51	9·92	79·3
1889—1898	13·48	10·47	77·7
1890—1899	14·32	10·83	75·6
1891—1900	15·28	11·28	73·8
1892—1901	16·82	12·00	71·4
1893—1902	19·28	13·46	69·8
1894—1903	21·60	14·71	68·1
1895—1904	22·63	15·20	67·2
1896—1905	22·72	14·86	65·4
1897—1906	22·65	14·62	64·5
1898—1907	22·41	14·31	63·9
1899—1908	22·12	13·98	63·2
1900—1909	21·68	13·59	62·7

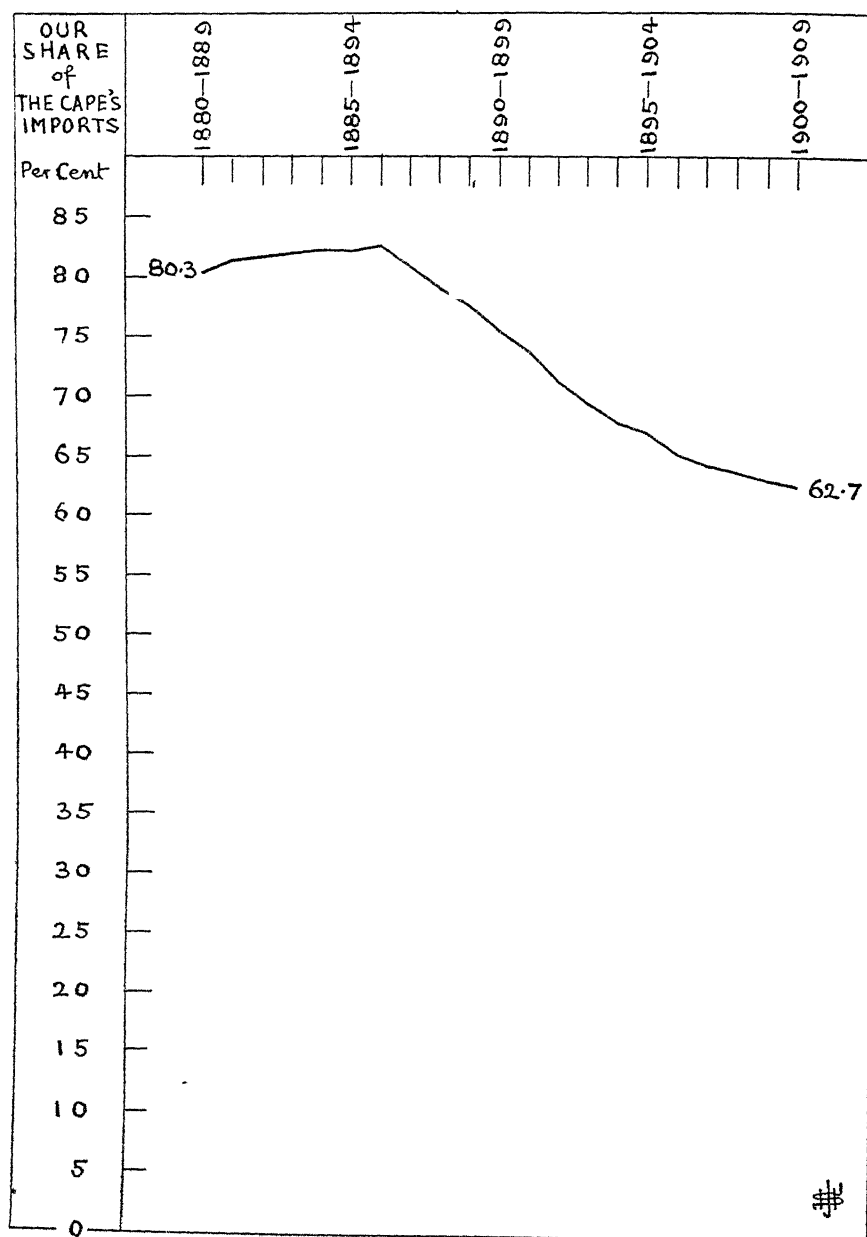
* Including Bullion and Specie, but not including gold brought into the Cape for shipment at Cape ports. Including goods imported at the Cape for transit into the interior of South Africa. Including goods (other than diamonds and raw gold) imported overland into the Cape during 1880-1905, but not in 1906-1909. The records for 1906-1909 relate solely to imports by sea, a new official classification having been made; thus the results for the last four decades in col. A are slightly under-stated, and the results in the Test column are slightly over-stated.

But as this increase was not relatively as large as the increase in imports from All Countries, we see in Table 172 that the proportion of imports into the Cape from the United Kingdom has fallen continuously since the decade 1886-1895.

During 1880-1889, imports from the United Kingdom were 80·3 per cent. of all imports into the Cape, and during 1900-1909 the proportion was 62·7 per cent.

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DIAGRAM LXX.—SEE TABLE 172 THE UNITED KINGDOM'S SHARE OF THE CAPE OF GOOD HOPE'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade, the United Kingdom supplied the Cape with £80.3 per £100 of the Cape's Imports; during the last decade, our share was £62.7 per £100.

As was shown in Chapter X., our export trade to the Cape has been vigorous, and Table 172, based upon imports into the Cape, fully confirms this; and yet we have not maintained our proportion of the Cape's import trade. This is a useful illustration of the commonly ignored fact that even in those markets where our sales actually increase, they decrease relatively to the advance made by other sellers that supply the same markets.

Among the foreign countries from which imports into the Cape have largely increased are the United States, the Argentine Republic, Germany, Norway and Sweden, Belgium, Holland, France.

In August 1903, the South African Customs Union Convention came into force, by which imports of British production from the United Kingdom receive a preferential treatment in the Cape, Natal, Southern Rhodesia, the Transvaal, and in the Orange River Colony.

THE DOMINION OF NEW ZEALAND'S IMPORTS, Table 173 :— Imports into New Zealand from All Countries have risen continuously during the later decades; there was a fall during the earlier decades.

These imports were 7·06 million £ yearly during 1880-1889, and 13·84 million £ yearly during 1900-1909: an increase of 67·8 million £ during the whole of the latter decade, or 6·78 million £ yearly.

New Zealand's imports from the United Kingdom followed a similar course, but with a smaller relative rise during the later decades of Table 173. The increase during the whole of the decade 1900-1909 was 37·0 million £, or 3·70 million £ yearly.

The proportion of imports into New Zealand from the United Kingdom relatively to imports from All Countries was 64·4 per cent. during 1880-1889, and 59·6 per cent. during 1900-1909, with a nearly continuous fall since the decade 1883-1892.

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Some foreign countries from which New Zealand has increased her imports are the United States, Germany, Belgium, Japan, France.

TABLE 173 —IMPORTS * INTO THE DOMINION OF NEW ZEALAND FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	Test. Percentage Proportion of B to A.
	Million £.	Million £	Per cent
1880—1889	7·06	4·55	64·4
1881—1890	7·07	4·62	65·4
1882—1891	6·97	4·60	66·1
1883—1892	6·81	4·53	66·5
1884—1893	6·70	4·45	66·4
1885—1894	6·61	4·35	65·8
1886—1895	6·51	4·23	65·0
1887—1896	6·54	4·25	65·0
1888—1897	6·72	4·37	65·0
1889—1898	6·95	4·52	65·0
1890—1899	7·20	4·66	64·7
1891—1900	7·64	4·88	63·9
1892—1901	8·17	5·14	62·9
1893—1902	8·61	5·34	62·1
1894—1903	9·20	5·65	61·4
1895—1904	9·84	6·05	61·5
1896—1905	10·49	6·43	61·3
1897—1906	11·29	6·86	60·7
1898—1907	12·22	7·35	60·1
1899—1908	13·14	7·88	59·9
1900—1909	13·84	8·25	59·6

* Including Bullion and Specie

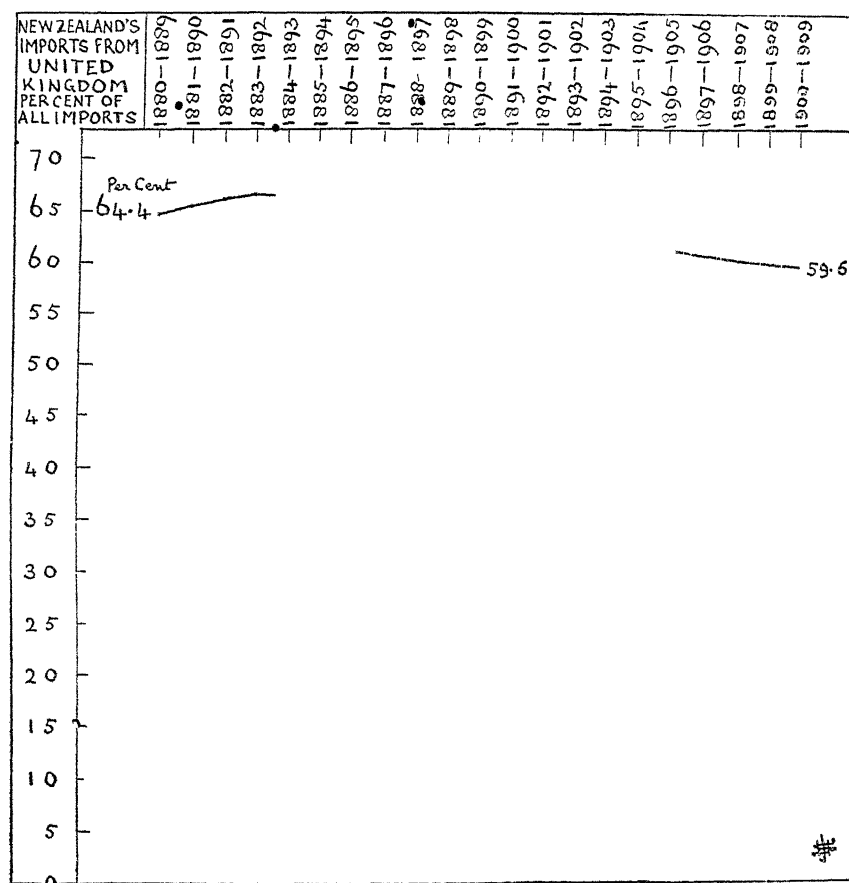
In November 1903, the New Zealand Legislature passed a Bill instituting preferential trade with the British Empire, and granting preferential rates of Customs duty to the United Kingdom. This was a spontaneous concession by New Zealand, granted as a proof of the desire of the people of New Zealand to promote the strength and solidarity of the Empire. This desire has met with no response from the United Kingdom.

CEYLON'S IMPORTS, Table 174:—There has been a large and

FALL IN SHARE OF N. ZEALAND'S IMPORTS 387

continuous rise in Ceylon's imports from All Countries : from 3·92 million £ yearly during 1880-1889 to 8·06 million £ yearly during 1900-1909 : an increase of 41·4 million £ during the whole of the latter decade, or 4·14 million £ yearly.

DIAGRAM LXXI.—SEE TABLE 173 THE UNITED KINGDOM'S SHARE OF NEW ZEALAND'S IMPORTS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade the United Kingdom supplied New Zealand with £64·4 per £100 of New Zealand's Imports ; during the last decade our share was £59·6 per £100.

Ceylon's imports from the United Kingdom also rose nearly continuously. During 1900-1909, as compared with 1880-1889, the rise was £1,000,000 yearly, or 10 million £ during the whole of the recent decade.

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There has been a fall in the proportion of Ceylon's imports from the United Kingdom relatively to Ceylon's imports from All Countries: from 27·5 per cent. during 1880-1889 to 25·7 per cent. during 1900-1909.

TABLE 174.—IMPORTS * INTO CEYLON FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	Tesr. Percentage Proportion of B to A.
	Million £.	Million £	Per cent.
1880—1889	3·92	1·08	27·5
1881—1890	3·95	1·08	27·5
1882—1891	4·04	1·12	27·7
1883—1892	4·11	1·13	27·5
1884—1893	4·16	1·13	27·2
1885—1894	4·17	1·12	27·0
1886—1895	4·30	1·15	26·8
1887—1896	4·46	1·19	26·7
1888—1897	4·72	1·26	26·7
1889—1898	4·96	1·32	26·6
1890—1899	5·28	1·40	26·6
1891—1900	5·63	1·49	26·5
1892—1901	5·89	1·56	26·4
1893—1902	6·17	1·66	26·9
1894—1903	6·50	1·76	27·1
1895—1904	6·85	1·83	26·7
1896—1905	7·15	1·88	26·4
1897—1906	7·45	1·96	26·3
1898—1907	7·70	2·01	26·1
1899—1908	7·92	2·06	26·1
1900—1909	8·06	2·08	25·7

* Including Bullion and Specie. The rupee has been converted into £ at rates varying from 1s. 8d. per rupee in 1880 to 1s. 4d. per rupee in 1909.

Some foreign countries from which Ceylon's imports have increased are Germany, Japan, Russia, United States, France, Holland, Belgium.

NATAL'S IMPORTS, Table 175 :—Natal's imports from All Countries have risen largely and continuously. They include imports into Natal for transit into the interior of South Africa. The rise was from 2·24 million, £ yearly during 1880-1889 to

FALL IN OUR SHARE OF NATAL'S IMPORTS 389

10·22 million £ yearly during 1900-1909 : an increase of 79·8 million £ during the whole of the latter decade, or 7·98 million £ yearly.

TABLE 175.—IMPORTS * INTO NATAL FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million £.	Million £	Per cent
1880—1889	2·24	1·81	80·7
1881—1890	2·46	1·96	79·9
1882—1891	2·63	2·10	79·8
1883—1892	2·73	2·16	79·2
1884—1893	2·80	2·21	78·7
1885—1894	2·86	2·24	78·3
1886—1895	2·96	2·29	77·5
1887—1896	3·39	2·57	75·7
1888—1897	3·76	2·80	74·4
1889—1898	4·01	2·93	73·1
1890—1899	4·23	3·03	71·7
1891—1900	4·45	3·10	69·8
1892—1901	5·10	3·48	68·3
1893—1902	6·35	4·09	64·4
1894—1903	7·72	4·79	62·0
1895—1904	8·57	5·26	61·4
1896—1905	9·40	5·70	60·7
1897—1906	9·73	5·81	59·7
1898—1907	9·90	5·80	58·6
1899—1908	10·07	5·82	57·8
1900—1909	10·22	5·82	57·0

* Including Bullion and Specie, but not including gold imported overland for shipment from Natal. Including goods in transit for the interior. A new official classification for 1906-1909 excludes imports from Cape Colony, included during 1880-1905. Thus the results in column A for the last four decades are slightly under-stated, and the results in the Test column are slightly over-stated.

Natal's imports from the United Kingdom increased continuously, but not so much relatively as Natal's imports from All Countries. The rise was from 1·81 to 5·82 million £ yearly, or an increase of 40·1 millions during the whole of the decade 1900-1909, or 4·01 million £ per year.

There has been a large and continuous fall in the proportion of Natal's imports from the United Kingdom relatively to Natal's imports from All Countries. The proportion was

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80·7 per cent. during 1880-1889, and during 1900-1909 only 57 per cent. of Natal's imports were imports from the United Kingdom.

Some of the foreign countries from which Natal's imports have largely increased are the United States, the Argentine Republic, Germany, Sweden and Norway, Belgium, Holland, France. These countries have gained the position lost by us in Natal's market.

WEST INDIA'S IMPORTS, Table 176 :—These imports do not include all the West India islands; the trade of some of these

TABLE 176.—IMPORTS * INTO THE PRINCIPAL WEST INDIA ISLANDS (TRINIDAD AND TOBAGO,† JAMAICA, BARBADOS) FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million £.	Million £.	Per cent.
1880—1889	4·90	2·01	41·1
1881—1890	4·96	2·06	41·6
1882—1891	4·98	2·08	41·7
1883—1892	5·00	2·10	42·0
1884—1893	5·04	2·14	42·4
1885—1894	5·02	2·16	43·0
1886—1895	5·11	2·23	43·7
1887—1896	5·18	2·31	44·5
1888—1897	5·24	2·34	44·6
1889—1898	5·29	2·31	43·8
1890—1899	5·34	2·32	43·6
1891—1900	5·30	2·28	43·1
1892—1901	5·35	2·30	43·0
1893—1902	5·40	2·32	42·9
1894—1903	5·35	2·28	42·5
1895—1904	5·33	2·25	42·3
1896—1905	5·40	2·24	41·4
1897—1906	5·52	2·25	40·8
1898—1907	5·79	2·34	40·4
1899—1908	5·91	2·38	40·3
1900—1909	6·07	2·41	39·7

* Including Bullion and Specie.

† From 1899 inclusive, Trinidad includes Tobago. Tobago's Imports are so small that they do not affect the above averages, which show only the first three figures.

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islands is trivial. Table 176 relates to all the West India islands whose imports are recorded in regard to trade with various countries. These islands are, Trinidad, Jamaica, Barbados.

The rise in imports from All Countries was small: from 4·90 million £ yearly during 1880-1889 to 6·07 million £ yearly during 1900-1909.

Imports into the West Indies from the United Kingdom rose during the earlier decades of Table 176 until 1888-1897, and thereafter have had a slightly falling tendency with a rise at the end. These imports were 2·01 million £ during 1880-1889, and 2·41 million £ yearly during 1900-1909, an increase of 4 million £ during the whole of the latter decade, or £400,000 yearly.

The proportion of imports from the United Kingdom rose continuously until 1888-1897, and after that decade there has been a continuous fall. During 1880-1889 the proportion of imports into the West Indies from the United Kingdom was 41·1 per cent. of all imports, and during 1900-1909 the proportion was 39·7 per cent.; and, as we see, this proportion is on the down-grade.

Among foreign countries from which West Indian imports have considerably increased are the United States, Germany, Holland.

MAURITIUS'S IMPORTS, Table 177 :—Imports from Mauritius from All Countries rose nearly continuously: from 26·0 million rupees yearly during 1880-1889 to 31·8 million rupees yearly during 1900-1909. There has been a rise with fluctuation in imports into Mauritius from the United Kingdom..

The proportion of imports into Mauritius from the United Kingdom has slightly increased. It was 23·8 per cent. of all imports during 1880-1889, and 26·5 per cent. during 1900-1909. This is the first and only instance where the United Kingdom has held or improved its position as a seller in British Colonial markets, during the period 1880-1909.

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Imports into Mauritius have largely increased from Germany and from the United States.

TABLE 177—IMPORTS * INTO MAURITIUS FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	TEST. Percentage Proportion of B to A.
	Million Rupees	Million Rupees	Per cent.
1880—1889	26·0	6·16	23·8
1881—1890	26·3	6·49	24·6
1882—1891	26·4	6·62	25·0
1883—1892	27·1	6·84	25·2
1884—1893	27·8	6·62	23·8
1885—1894	28·1	6·68	23·8
1886—1895	28·9	6·81	23·6
1887—1896	29·6	6·96	23·5
1888—1897	30·0	7·00	23·3
1889—1898	30·3	6·99	23·1
1890—1899	30·3	7·02	23·1
1891—1900	30·9	7·15	22·1
1892—1901	31·5	7·37	23·4
1893—1902	31·1	7·23	23·3
1894—1903	31·6	7·58	24·0
1895—1904	31·8	7·86	24·7
1896—1905	31·4	8·00	25·5
1897—1906	31·2	8·16	26·2
1898—1907	31·6	8·29	26·3
1899—1908	31·7	8·41	26·5
1900—1909	31·8	8·42	26·5

* Including Bullion and Specie. At par value 10 rupees = £1. The conversion value is considerably less than 2s. per rupee.

BRITISH GUIANA'S IMPORTS, Table 178:—Imports from All Countries have fallen nearly continuously, with some recovery at the end. Imports from the United Kingdom rose slightly during the first three decades of Table 178, and thereafter fell with a small rise at the end. These imports were £980,000 yearly during 1880-1889, and £830,000 yearly during 1900-1909.

The proportion of British Guiana's imports from the United Kingdom has not varied materially. It was 54·5 per cent. of all imports during 1880-1889, and 53·6 per cent. during

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1900-1909. This proportion has been falling since the decade 1888-1897, when the maximum of 56·2 per cent. was reached.

TABLE 178.—IMPORTS * INTO BRITISH GUIANA FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Imports from All Countries.	Imports from United Kingdom.	Test. Percentage Proportion of B to A.
	A.	B.	
	Million £	Million £.	Per cent
1880—1889	1·80	†·98	54·5
1881—1890	1·79	·99	55·6
1882—1891	1·78	1·00	56·3
1883—1892	1·75	·98	55·9
1884—1893	1·72	·96	55·6
1885—1894	1·69	·93	55·4
1886—1895	1·68	·94	55·9
1887—1896	1·67	·94	56·1
1888—1897	1·64	·92	56·2
1889—1898	1·62	·91	55·9
1890—1899	1·57	·88	55·7
1891—1900	1·51	·83	54·8
1892—1901	1·47	·81	54·8
1893—1902	1·43	·78	54·8
1894—1903	1·40	·77	54·8
1895—1904	1·38	·76	54·9
1896—1905	1·40	·76	54·8
1897—1906	1·42	·78	54·7
1898—1907	1·47	·80	54·4
1899—1908	1·51	·82	54·4
1900—1909	1·55	·83	53·6

* Including Bullion and Specie.

† ·98 million £ = £980,000.

NEWFOUNDLAND'S IMPORTS, Table 179 :—Imports from All Countries have fallen nearly throughout the table. There was a rise at the end.

There has been a nearly continuous fall in Newfoundland's imports from the United Kingdom, with a rise at the end. These were £550,000 yearly during 1880-1889, and £500,000 yearly during 1900-1909.

The proportion of imports from the United Kingdom has fallen almost continuously. This proportion was 37·0 per

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cent. of all imports into Newfoundland during 1880-1889, and 25·9 per cent. during 1900-1909.

TABLE 179.—IMPORTS * INTO NEWFOUNDLAND FROM ALL COUNTRIES AND FROM THE UNITED KINGDOM, 1880-1909. *Yearly Averages during each Decade*

Decade.	Imports from All Countries. A.	Imports from United Kingdom. B.	Test. Percentage Proportion of B to A.
	Million £	Million £.	Per cent.
1880—1889	1·49	†·55	37·0
1881—1890	1·48	·54	36·7
1882—1891	1·48	·54	36·6
1883—1892	1·44	·52	35·8
1884—1893	1·41	·51	35·8
1885—1894	1·39	·49	35·4
1886—1895	1·38	·48	34·7
1887—1896	1·37	·48	34·7
1888—1897	1·38	·48	34·9
1889—1898	1·34	·45	33·4
1890—1899	1·33	·43	32·5
1891—1900	1·35	·43	32·0
1892—1901	1·36	·43	31·6
1893—1902	1·38	·43	31·0
1894—1903	1·40	·42	29·8
1895—1904	1·44	·41	28·8
1896—1905	1·53	·44	28·7
1897—1906	1·62	·46	28·1
1898—1907	1·71	·47	27·4
1899—1908	1·84	·49	26·8
1900—1909	1·95	·50	25·9

* Including Imports into Labrador. Including Bullion and Specie. The dollar has been converted into £ at the rate of 4s. 2d. per dollar during the years 1880-1888, and at 4s. 1½d. during the years 1889-1909.

† ·55 million £ = £550,000.

Imports into Newfoundland from the following foreign countries have largely increased—the United States, Germany, Holland.

We have now seen the course of the trade in imports into the twelve principal British colonies and possessions, thus covering almost the whole import trade of British colonies and possessions.

Some useful results may be directly abstracted or easily deduced from Tables 168-179.

A summary is given in Table 180 of the imports into the twelve British colonies and possessions combined, from the United Kingdom, from All Countries other than the United Kingdom, and from All Countries.

As regards the twelve colonies, etc., taken separately, Tables 168-179 show that large increases occurred in imports from the United Kingdom into British India, the Cape of Good Hope, Natal; and smaller increases in Australia, Canada, New Zealand, Ceylon, West Indies, Mauritius. There was a fall in the Straits Settlements' imports from the United Kingdom, and also in British Guiana and Newfoundland.

With regard to all these twelve British colonies and possessions taken as a whole, Table 180, there was a net increase of 577 million £ in their imports from the United Kingdom during the whole of the decade 1900-1909, as compared with the decade 1880-1889, or an increase of 57·7 million £ yearly. This result confirms that shown in Chapter III. of this book, to the effect that our exports to British colonies have been more vigorous than our exports to foreign countries.

But, this fact being duly noted, we have also to observe that countries other than the United Kingdom have been supplying British colonies and possessions with their imports at a much more advanced rate of progress than imports into British colonies and possessions from the United Kingdom.

Table 180 shows that, while colonial imports from the United Kingdom increased by 577 million £ during the whole decade 1900-1909, as compared with the whole decade 1880-1889, colonial imports from All Countries other than the United Kingdom increased by 992 million £—the total increase in colonial imports being 1569 million £.

This is a most notable result, disclosed by a full survey of colonial imports. It shows that the United Kingdom has wholly failed to obtain her share, as a seller, in the vast

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TABLE 180.—A SUMMARY OF TABLES 168-179, SHOWING THE IMPORTS INTO THE TWELVE BRITISH COLONIES AND POSSESSIONS COMBINED, FROM THE UNITED KINGDOM, FROM ALL COUNTRIES OTHER THAN THE UNITED KINGDOM, AND FROM ALL COUNTRIES, 1880-1909. *Yearly Averages during each Decade.*

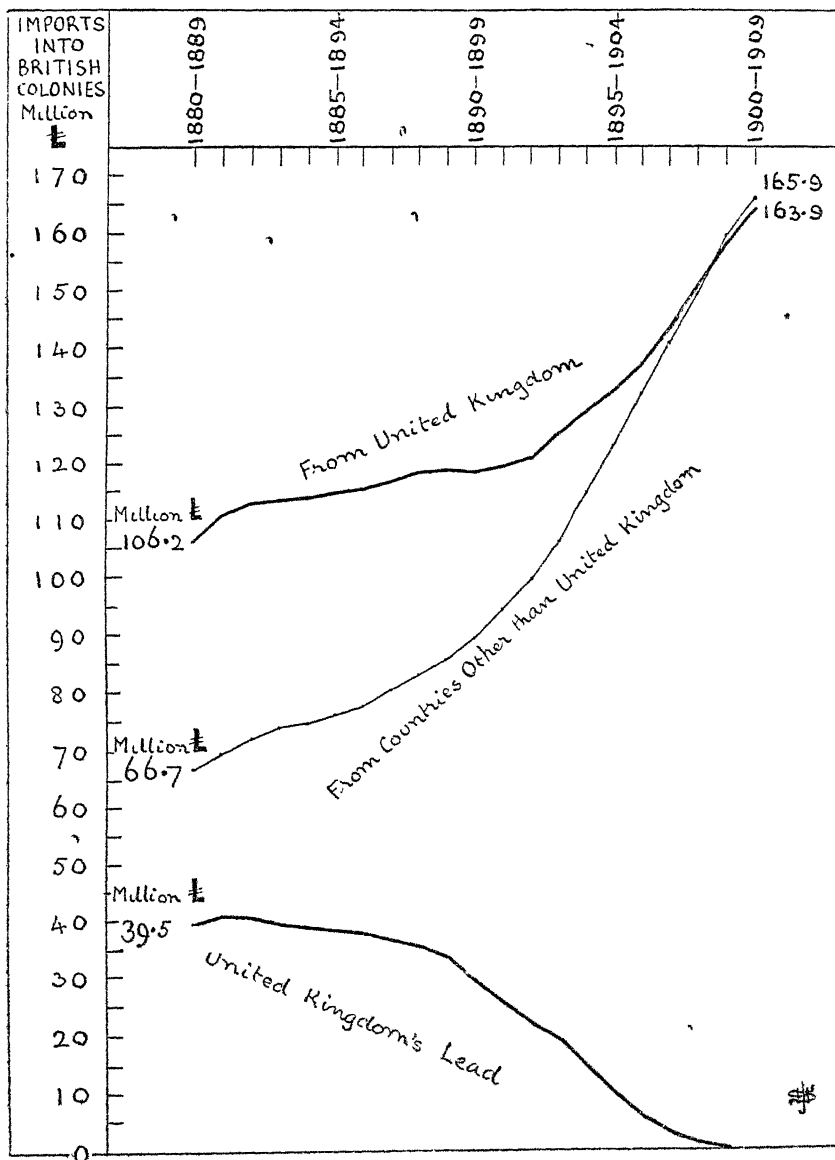
Decade.	Yearly Imports * into the Twelve British Colonies and Possessions combined.				
	Imports from United Kingdom	Imports from All Countries other than the United Kingdom.	Imports from All Countries. (A+B)	The United Kingdom's Lead over Other Countries (A-B.)	Other Countries' Lead over the United Kingdom. (B-A.)
	A	B	C	D.	E
	Million £	Million £.	Million £.	Million £	Million £.
1880—1889	106·2	66·7	172·9	39·5	
1881—1890	110·4	69·5	179·9	40·9	
1882—1891	112·8	72·2	185·0	40·6	
1883—1892	113·3	73·9	187·2	39·4	
1884—1893	113·7	74·8	188·5	38·9	
1885—1894	114·4	76·2	190·6	38·2	
1886—1895	115·1	77·5	192·6	37·6	
1887—1896	116·5	80·1	196·6	36·4	
1888—1897	118·1	82·8	200·9	35·3	
1889—1898	118·7	85·5	204·2	33·2	
1890—1899	118·4	89·2	207·6	29·2	
1891—1900	119·2	94·0	213·2	25·2	
1892—1901	120·8	99·4	220·2	21·4	
1893—1902	125·0	106·0	231·0	19·0	
1894—1903	128·9	114·6	243·5	14·3	
1895—1904	132·7	122·9	255·6	9·8	
1896—1905	137·4	132·2	269·6	5·2	
1897—1906	143·2	140·6	283·8	2·6	
1898—1907	150·3	149·3	299·6	1·0	
1899—1908	158·1	159·2	317·3	...	1·1
1900—1909	163·9	165·9	329·8	..	2·0
Yearly Increase, from first to last Decade	Million £. 57·7	Million £ 99·2	Million £. 156·9	Million £. 39·5 <u>Decrease</u>	Million £ 2·0
Increase during the whole of the last Decade over the first Decade	Million £. 577·0	Million £ 992·0	Million £ 1569·0	Million £ 395·0 <u>Decrease</u>	Million £ 20·0
Growth per cent since first Decade	Per cent. 54	Per cent. 149	Per cent 91	...	...

* The results for British India, Table 168, and for Mauritius, Table 177, have been converted into £ at the par value of 10 rupees = £1.

Observe the great increase in column B, both in actual million £ and in growth per cent., as compared with the much smaller increase in column A. Note, also, the Fall to extinction in the United Kingdom's lead over other sellers in British Colonial markets, column D.

In the decade 1899-1908, Other Countries supplanted the United Kingdom as predominant sellers in the markets of British Colonies. See column E.

DIAGRAM LXXII.—SEE TABLE 180 SHOWING THE LARGE FALL TO EXTINCTION IN THE UNITED KINGDOM'S LEAD OVER COUNTRIES OTHER THAN THE UNITED KINGDOM IN THE MARKETS OF THE TWELVE BRITISH COLONIES AND POSSESSIONS, 1880-1909. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade the United Kingdom had a lead of 39.5 million £ yearly over "Countries Other than the United Kingdom" as a supplier of British Colonial Imports; in the decade 1899-1908 this lead was extinguished, and Other Countries now have a lead over the United Kingdom in British Colonial markets. This lead will grow unless we adopt the policy of Colonial Preference.

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expansion of the buying power of British colonies and possessions. And this unsatisfactory result has occurred despite the fact that Table 180 includes all but one of the recent years of our greatly increased export trade. This increase has been largely inadequate to enable us to maintain our position as a seller in British colonial markets, in face of the competition we have to meet in those markets by our rivals in world-trade.

This result proves the necessity to take a wide view, in place of the merely insular glance at our commerce so unfortunately prevalent in newspapers, and elsewhere, when our trade records are being dealt with. And it also proves the great and increasing value to a seller of merchandise, of the markets of British colonies and possessions.

It is most instructive to look at column D of Table 180, and to observe the gradual catching up of the United Kingdom by other countries, as sellers in the markets of British colonies. During the first decade, there was a lead by the United Kingdom of 39·5 million £ yearly over countries other than the United Kingdom, in British colonial markets. But, in the decade 1899-1908 this predominance of sales by the United Kingdom over sales by other countries had vanished. To give place to a predominance of countries other than the United Kingdom as sellers in the markets of British colonies. See column E of Table 180.

The Board of Trade tells us nothing as to this persistent tendency shown in Table 180—this vigorous shouldering-out of the United Kingdom as a seller in British colonial markets, by our rivals who are also sellers in these markets. A mass of crude statistics are issued to the public, and it is not possible for anyone to see such vitally important results as those now disclosed unless he be willing to do a great amount of most tedious work. Surely these and other results shown in this book ought to be put clearly before the public by the Board of Trade, in place of being wholly ignored. The fact just disclosed, namely, that we have recently lost our predominant

position as a seller in the markets of British colonies is surely of sufficient importance to be made known, officially, to the British public.

Table 181 emphasises the trade tendencies shown in Table 180. Here we have each £1000 of imports into the twelve British colonies and possessions split up into imports from the United Kingdom and imports from countries other than the United Kingdom respectively. During the first decade, the share of the United Kingdom as a seller in these British colonial markets was worth £614 per £1000 of all colonial imports. But our share fell continuously and largely to only £497 per £1000 during 1900-1909. The share of countries other than the United Kingdom rose from £386 to £503 per £1000.

And looking at column D of Table 181, we see that the United Kingdom's lead over countries other than the United Kingdom, per £1000 of British colonial imports, fell from £228 to complete extinction in the decade 1899-1908—and this despite the recent record years of our trade. Our trade rivals now hold the predominant position in the markets of British Colonies. Our trade rivals have taken that position from us.

With such indisputable results as these before our eyes, it is surely most culpable folly on our part to continue our flat refusal to enter upon terms of mutually preferential trade with British colonies. Lacking such arrangement with our colonial kinsmen, we must make up our minds to see British colonial markets continue to be less and less receptive of our goods and more and more receptive of the goods of our trade rivals. That is the plain lesson taught by the facts now disclosed, quite apart from any mere opinion as to the advantages or disadvantages of preferential trade between the United Kingdom and British colonies. Moreover, the establishment by us of a revised tariff upon our imports would not only enable us to trade with British colonies upon mutually preferential terms, but it would put into our hands

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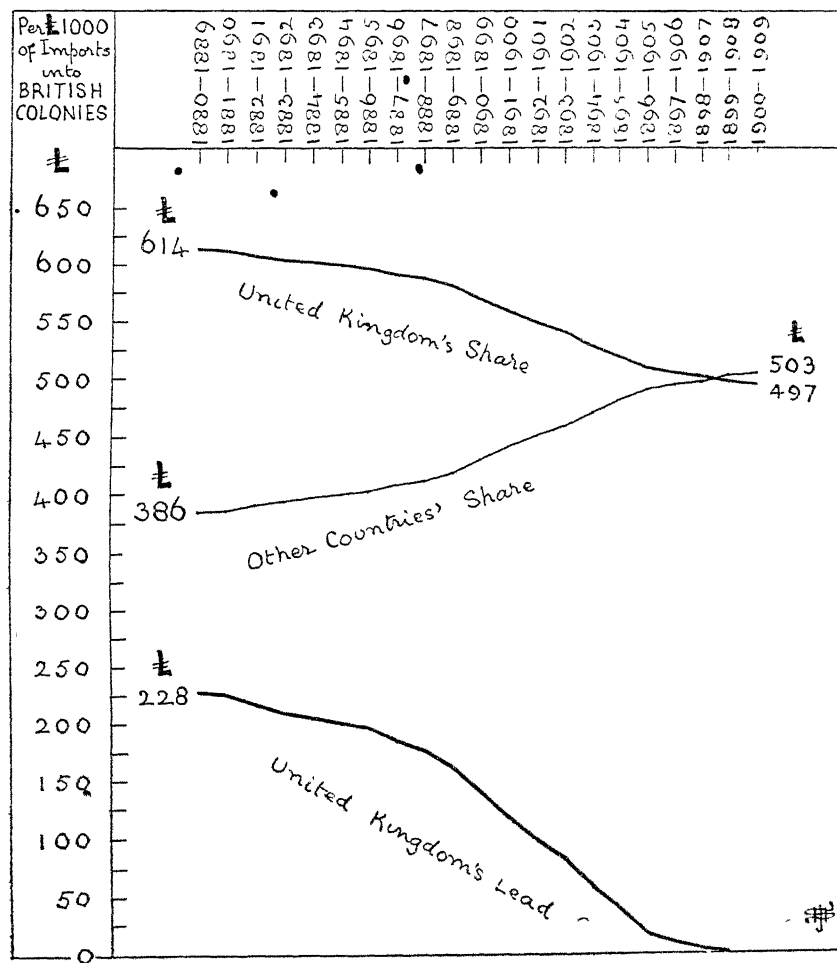
a bargaining instrument with which to enable us to obtain less severe treatment of our goods when they enter the ports of foreign nations.

TABLE 181.—BASED ON TABLE 180. SHOWING HOW MUCH OF EACH £1000 OF THE IMPORTS FROM ALL COUNTRIES INTO THE TWELVE BRITISH COLONIES AND POSSESSIONS COMBINED WERE IMPORTS FROM THE UNITED KINGDOM AND IMPORTS FROM ALL COUNTRIES OTHER THAN THE UNITED KINGDOM RESPECTIVELY, 1880-1909 *Yearly Averages during each Decade*

Decade.	Each £1000 of Imports into the Twelve British Colonies and Possessions combined was made up thus :—				
	Imports from United Kingdom.	Imports from All Countries other than the United Kingdom.	Imports from All Countries. (A + B.)	The United Kingdom's Lead over Other Countries (A - B)	Other Countries' Lead over the United Kingdom. (B - A.)
	A	B.	C.	D.	E.
1880—1889	£ 614	£ 386	£ 1000	£ 228	
1881—1890	613	387	1000	226	...
1882—1891	609	391	1000	218	
1883—1892	605	395	1000	210	
1884—1893	603	397	1000	206	...
1885—1894	600	400	1000	200	...
1886—1895	598	402	1000	196	...
1887—1896	593	407	1000	186	...
1888—1897	588	412	1000	176	...
1889—1898	581	419	1000	162	...
1890—1899	570	430	1000	140	...
1891—1900	559	441	1000	118	...
1892—1901	549	451	1000	98	...
1893—1902	541	459	1000	82	...
1894—1903	529	471	1000	58	...
1895—1904	519	481	1000	38	...
1896—1905	509	491	1000	18	...
1897—1906	505	495	1000	10	...
1898—1907	502	498	1000	4	...
1899—1908	498	502	1000	...	4
1900—1909	497	503	1000	...	6
Loss of Position.	Per £1000 £117	Per £1000.	...	Per £1000. £228	Per £1000. ...
Gain of Position.	..	£117	...	.	6

Observe the large and continuous Fall in the United Kingdom's share of British Colonial Markets, column A, and the large Fall to extinction in column D. Other Countries took the place of the United Kingdom, as predominant sellers in the markets of British Colonies, in the decade 1899-1908.

DIAGRAM LXXIII.—SEE TABLE 181. SHOWING THE LARGE FALL TO EXTINCTION IN THE UNITED KINGDOM'S LEAD, PER £1000 OF IMPORTS INTO THE TWELVE BRITISH COLONIES AND POSSESSIONS, 1880-1909
Yearly Averages during each Decade.



Keep the base-line 0 in sight.

Example.—The United Kingdom's lead over Countries other than the United Kingdom, per £1000 of British Colonial Imports, fell continuously from £228 to extinction. Other Countries have now won a lead over the United Kingdom, and this lead must increase if we will not adopt Preferential Trade with British Colonies.

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Look now at Tables 182 and 183, which show for each colony separately our share in each colony's imports per £1000 of each colony's total imports.

TABLE 182.—A SUMMARY OF TABLES 168-173, RELATING TO THE SIX LARGEST-IMPORTING BRITISH COLONIES AND POSSESSIONS. SHOWING THE UNITED KINGDOM'S SHARE OF EACH £1000 OF THESE COLONIES' IMPORTS FROM ALL COUNTRIES, 1880-1909. *Yearly Averages during each Decade*

Decade.	Colonial Imports from the United Kingdom, per £1000 of Colonial Imports from All Countries.*					
	British India.	Australian Commonwealth.	Dominion of Canada.	Straits Settlements.	Cape of Good Hope.	Dominion of New Zealand.
	<i>Table 168.</i>	<i>Table 169.</i>	<i>Table 170.</i>	<i>Table 171.</i>	<i>Table 172.</i>	<i>Table 173.</i>
	£	£	£	£	£	£
1880—1889	756	727	421	204	803	644
1881—1890	757	722	415	195	813	654
1882—1891	750	720	404	187	816	661
1883—1892	744	717	394	180	819	665
1884—1893	743	716	386	170	824	664
1885—1894	739	714	380	160	823	658
1886—1895	737	710	370	152	826	650
1887—1896	731	706	360	147	809	650
1888—1897	726	699	344	144	793	650
1889—1898	720	693	329	140	777	650
1890—1899	711	685	312	132	756	647
1891—1900	703	676	297	125	738	639
1892—1901	697	662	282	120	714	629
1893—1902	693	648	271	114	698	621
1894—1903	684	628	261	111	681	614
1895—1904	671	620	253	106	672	615
1896—1905	659	613	247	105	654	613
1897—1906	659	605	243	105	645	607
1898—1907	658	602	243	108	639	601
1899—1908	654	597	246	108	632	599
1900—1909	654	596	245	108	627	596
Loss of Position by United Kingdom	102	131	176	96	176	48

Note.—The Loss of Position by the United Kingdom is the Loss, per £1000 of Colonial Imports from All Countries, in the last Decade as compared with the first Decade.

Table 182 includes the six colonies and possessions which are the biggest importers. In every one of these big-importing

colonies we see a more or less heavy fall in the United Kingdom's share of these markets.

TABLE 183—A SUMMARY OF TABLES 174-179, RELATING TO THE SIX SMALLER-IMPORTING BRITISH COLONIES AND POSSESSIONS SHOWING THE UNITED KINGDOM'S SHARE OF EACH £1000 OF THESE COLONIES' IMPORTS FROM ALL COUNTRIES, 1880-1909. *Yearly Averages during each Decade*

Decade.	Colonial Imports from the United Kingdom, per £1000 of Colonial Imports from All Countries.					
	Ceylon.	Natal.	West Indies	Mauritius.	British Guana.	New- foundland.
	<i>Table 174.</i>	<i>Table 175.</i>	<i>Table 176.</i>	<i>Table 177.</i>	<i>Table 178</i>	<i>Table 179</i>
	£	£	£	£	£	£
1880—1889	275	807	411	238	545	370
1881—1890	275	799	416	246	556	367
1882—1891	277	798	417	250	563	366
1883—1892	275	792	420	252	559	358
1884—1893	272	787	424	238	556	358
1885—1894	270	783	430	238	554	354
1886—1895	268	775	437	236	559	347
1887—1896	267	757	445	235	561	347
1888—1897	267	744	446	233	562	349
1889—1898	266	731	438	231	559	334
1890—1899	266	717	436	231	557	325
1891—1900	265	698	431	221	548	320
1892—1901	264	683	430	234	548	316
1893—1902	269	644	429	233	548	310
1894—1903	271	620	425	240	548	298
1895—1904	267	614	423	247	549	288
1896—1905	264	607	414	255	548	287
1897—1906	263	597	408	262	547	281
1898—1907	261	586	404	263	544	274
1899—1908	261	578	403	265	544	268
1900—1909	257	570	397	265	536	259
Loss of Position* by United Kingdom	18	237	14	...	9	111
Gain of Position* by United Kingdom	...	...	...	27	..	...

* *Note.*—The Loss of Position, or the Gain of Position, by the United Kingdom, is the Loss, or Gain, per £1000 of Colonial Imports from All Countries, in the last Decade as compared with the first Decade.

To Canada, for example, we supplied £421 per £1000 of her imports during 1880-1889, and only £245 per £1000

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during 1900-1909. As is shown in Table 170, Canada's preferential British tariff has checked the fall in her imports from us, but we have refused to accept Canada's offer to extend the existing preferential treatment of our goods if we will give some small preference to Canada's productions as compared with the goods we buy from our foreign rivals in commerce.

In each colony, in Table 182, our loss of position has been considerable, and in some markets a very large loss has occurred.

Looking at Table 183, which includes the six small colonial markets, we see a loss of position by us in Ceylon, Natal, the West Indies, British Guiana, Newfoundland, and a trivial rise in such a trivial market as Mauritius.

Thus in only one trivial market out of all the twelve British colonial markets has the United Kingdom maintained its place as a seller during 1880-1909.

Taking the twelve British colonies as one whole, and referring to Table 180, we see that during 1880-1889 their imports from the United Kingdom were 1062 million £ during the whole decade, and from countries other than the United Kingdom, 667 million £. We then had a lead of 395 million £ over other countries.

But during the whole of the decade 1900-1909, a period that includes all but one of the recent "record" years of our trade, colonial imports from the United Kingdom were 1639 million £, and from countries other than the United Kingdom, 1659 million £. Not only have we lost all the above lead of 395 million £, but now other countries have a lead of 20 million £ over us.

The foregoing results ought to warn us that it is unsafe to argue stability in our export trade to British colonies, from the fact that our home records of export trade to British colonies show more progress than our export trade to foreign countries; for we see plainly that countries other than the United Kingdom have been and are rapidly overhauling us in

TABLE 184—SHOWING THE PERCENTAGE SHARE OF THE UNITED KINGDOM, AND THE SHARE OF COUNTRIES OTHER THAN THE UNITED KINGDOM, IN THE SUPPLY OF IMPORTS INTO THE TWELVE BRITISH COLONIES *Yearly Averages during each Decade.*

Twelve Importing British Dominions or Colonies. (a)	The United Kingdom's Percentage Share in supplying the Imports of (a)				The Percentage Share of Countries Other than the United Kingdom in supplying the Imports of (a)			
	First Decade 1880-1889	Last Decade 1900-1909	Gain or Loss during 1900-1909		First Decade 1880-1889	Last Decade 1900-1909	Gain or Loss during 1900-1909	
			Gain.	Loss			Gain	Loss
Per cent	Per cent	Per cent.	Per cent	Per cent	Per cent	Per cent	Per cent	
British India . . .	75.6	65.4	.	10.2	24.4	34.6	10.2	.
Australia . . .	72.7	59.6	...	13.1	27.3	40.4	13.1	.
Canada . . .	42.1	24.5	.	17.6	57.9	75.5	17.6	.
Straits Settlements	20.4	10.8	.	9.6	79.6	89.2	9.6	.
Cape of Good Hope	80.3	62.7	.	17.6	19.7	37.3	17.6	...
New Zealand . . .	64.4	59.6	..	4.8	35.6	40.4	4.8	.
Ceylon . . .	27.5	25.7	.	1.8	72.5	74.3	1.8	.
Natal . . .	80.7	57.0	.	23.7	19.3	43.0	23.7	.
West Indies . . .	41.1	39.7	.	1.4	58.9	60.3	1.4	.
Mauritius . . .	23.8	26.5	2.7	.	76.2	73.5	2.7	.
British Guiana . .	54.5	53.6	..	0.9	45.5	46.4	0.9	.
Newfoundland . .	37.0	25.9	.	11.1	63.0	74.1	11.1	.

SHOWING THE NUMBER OF BRITISH COLONIES WHOSE IMPORTS WERE SUPPLIED BY THE UNITED KINGDOM, AND BY COUNTRIES OTHER THAN THE UNITED KINGDOM, IN THE PERCENTAGE PROPORTION STATED IN THE FIRST COLUMN. Based upon the above results.

	No.	No.		No.	No.	
Over 80 per cent . .	2	.	...	1	.	..
70 to 79.9 " . .	2	.	...	3	4	.
60 to 69.9 " . .	1	2	...	1	1	.
50 to 59.9 " . .	1	4	...	2	...	.
40 to 49.9 " . .	2	..	...	1	4	..
30 to 39.9 " . .	1	1	..	1	2	.
20 to 29.9 " . .	3	4	.	2	.	..
10 to 19.9 " . .	..	1	..	2	...	...
	12	12	..	12	12	...

Based upon Tables 168-179.

Example.—Looking at the lower part of this table, in the decade 1880-1889, there were 5 British Dominions or Colonies to each of which the United Kingdom supplied over 60 per cent. of their imports; in the decade 1900-1909, there were only 2 British Dominions or Colonies to each of which the United Kingdom supplied over 60 per cent. of their imports.

our colonial markets. These trade rivals have caught us up and passed us.

In this connection one sometimes hears the opinion expressed that we can very well afford to let other countries go ahead in British colonial markets, as our own position is alleged to be so vastly stronger. But is it? The results just stated prove that our position in British colonial markets has for many years been getting less and less strong relatively to the position gained by other countries in British colonial markets. As has been shown in Table 181, these other countries supplied, during 1900-1909, no less than £503 per £1000 of all imports into the twelve principal British colonies and possessions, while we supplied the remaining £497 per £1000. And these proportions are continuously altering in favour of other countries and against the United Kingdom. This change in the course of British colonial import trade has been going on continuously for many years.

In Table 184 we have another summary that brings out very clearly the great loss of position by the United Kingdom as a seller in the markets of British Colonies, and the great gain of position by our trade rivals. This table will repay careful attention. And we have to bear in mind that our loss of position is going on; it continues, whether our home records of exports leaving the United Kingdom show a rise or a fall. For the reason that we wholly fail to keep pace with the world demand for merchandise, whether that demand come from British Colonies or from Foreign Countries, see Chapter VIII.

Table 185 states the amount of the loss of sales incurred by the United Kingdom during the last decade 1900-1909, owing to the loss of position by us as sellers in these twelve British Colonial markets. This loss was 39 million £ yearly, or 390 million during the whole decade. And this is only for the last decade. The loss has been going on ever since the year 1880, and probably for long before 1880.

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TABLE 185.—SHOWING THE EQUIVALENT LOSS OF SALES BY THE UNITED KINGDOM IN THE TWELVE BRITISH COLONIAL MARKETS, DURING THE DECADE 1900-1909, ARISING FROM THE LOSS OF POSITION BY THE UNITED KINGDOM AS A SELLER IN THESE TWELVE BRITISH COLONIAL MARKETS.

Importing or Buying- British-Colony. (a)	The United Kingdom's Share in Supplying the Imports of the Buying-Colonies in column (a).					
	During the Decade 1880-1889.	During the Decade 1900-1909.	The United Kingdom's Gain or Loss during 1900-1909			
			Per Cent.		Value.	
			Gain.	Loss.	Yearly Gain.	Yearly Loss.
	Per cent	Per cent	Per cent	Per cent	Million £	Million £.
British India . . .	75·6	65·4	..	10·2		13·60
Australia . . .	72·7	59·6	...	13·1	.	5·70
Canada . . .	42·1	24·5	..	17·6	..	9·10
Straits Settlements .	20·4	10·8	...	9·6	...	3·33
Cape of Good Hope.	80·3	62·7	...	17·6	...	3·82
New Zealand . . .	64·4	59·6	.	4·8	...	·66
Ceylon . . .	27·5	25·7	.	1·8	...	·15
Natal . . .	80·7	57·0	...	23·7	..	2·42
West Indies . . .	41·1	39·7	...	1·4		·08
Mauritius . . .	23·8	26·5	2·7	...	·09	..
British Guiana . .	54·5	53·6	...	0·9	.	·01
Newfoundland . .	37·0	25·9	..	11·1	...	·22
Result . . .	..	...	{ 1 Gain	11 Losses }	·09	39·09
					Net Yearly Loss } = 39·00	

Based upon Tables 168-179.

Note.—The loss of position by the United Kingdom in these 12 British Colonial Markets was equivalent to a net loss equal to 39 million £ yearly during 1900-1909, or to a net loss of 390 million £ for the whole decade. Compare with Table 145.

In Table 186 we see, side by side, the twelve British Colonial markets and the eighteen foreign markets examined in Chapter VIII.

This comparison enables us to see that we still hold a relatively much stronger position as a seller in British Colonial markets than we hold as a seller in the markets of foreign nations.

For example—in the Cape of Good Hope's market we

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still supply 62·7 per cent. of the Cape's imports from all sources; and we supply 65·4 per cent. of British India's imports from all sources. Our weakest British Colonial position is in the Straits Settlements, where we now supply only 10·8 per cent. of their imports from all sources.

TABLE 186—SHOWING THE UNITED KINGDOM'S POSITION AS A SELLER IN THE MARKETS OF BRITISH COLONIES AND OF FOREIGN COUNTRIES. *Yearly Average during the Decade 1900-1909.*

THE UNITED KINGDOM'S PERCENTAGE SHARE AS A SUPPLIER OF THE IMPORTS INTO TWELVE BRITISH COLONIES AND INTO EIGHTEEN FOREIGN COUNTRIES			
Twelve British Colonies during the Decade 1900-1909.		Eighteen Foreign Countries during the Decade 1900-1909.	
British Colony.	United Kingdom's Share.	Foreign Country.	United Kingdom's Share.
	Per cent.		Per cent
British India . . .	65·4	Argentine Republic	34·0
Cape of Good Hope . .	62·7	Portugal . . .	29·7
Australia . . .	59·6	Sweden . . .	26·7
New Zealand . . .	59·6	Norway . . .	26·0
Natal . . .	57·0	Japan . . .	21·8
British Guiana . . .	53·6	Spain . . .	19·5
West Indies . . .	39·7	China . . .	17·3
Mauritius . . .	26·5	Italy . . .	17·1
Newfoundland . . .	25·9	United States . . .	17·1
Ceylon . . .	25·7	Denmark . . .	16·3
Canada . . .	24·5	Roumania . . .	15·8
Straits Settlements . .	10·8	Russia . . .	15·3
		France . . .	13·3
		Holland . . .	11·2
		Belgium . . .	10·4
		Germany . . .	10·1
		Austria-Hungary . .	8·3
...		Switzerland . . .	5·2

Based upon Tables 185 and 144.

Looking at similar results for foreign nations in Table 186, we see that our position as a seller in the Argentine Republic, where we supply 34 per cent. of the Argentine Republic's imports, is the highest position we hold in any foreign country. But there are seven British Colonial markets where our position is stronger than it is in the Argentine Republic, although the latter heads the list of foreign markets in Table 186.

These results should awaken us to the urgent necessity to stop the fall in our position as a seller in British Colonial markets which, as we have seen, has been taking place, and which is still taking place, year by year. The only way by which we can stop the continual loss of position by us in British Colonial markets is by the adoption of the policy of British Imperial Preference in Trade. See the result for Canada, Table 170.

With facts such as are here disclosed staring us in the face, mere opinion and economic dogma not based on ascertained fact are of no value.' We shall be culpably foolish if we continue to ignore the indisputable fact that we are losing ground in the markets of British colonies and possessions relatively to the progress made therein by foreign suppliers of British colonial markets.

Let there be no confusion as to this fact. It is true, as is shown in Chapter III., that we have been doing better in exports to British colonies than in exports to foreign countries; but the important feature disclosed in this Chapter XI. is that we are rapidly losing ground in the markets of British colonies relatively to the position of countries other than the United Kingdom in the markets of British colonies. And if this loss of position is to continue, not many years will pass before we shall have irremediably thrown away the chance to regain our lost position as the predominant seller in the markets of British Colonies. As herein shown, we lost that predominant position in the decade 1899-1908. See Table 180.

We have seen plainly that other countries are keen to gain position in the markets of British colonies, and that they have succeeded to a very large extent. Why should not we make this desire of other countries a commercial asset for ourselves?

By means of a well-devised plan for preferential trade between the United Kingdom and British colonies we could certainly check the continuous advance of other countries in British colonial markets, and thus ward off the danger that

now faces us of losing still more ground in British colonial markets. There is no nation in the world but ourselves who would continue not to use the opportunities for trade advancement that we so abundantly possess and neglect. We and the other parts of the British Empire have much to give, much to bargain with—we hold strong cards, if we would play them—but by reason of the glamour cast upon our eyes by devotion to a sham free trade, we let things drift. We prefer the inaction of a long habit to the action necessitated by a well-defined fact. And we shall have to pay for our lack of discernment and of sagacity; slowly, it may be, but surely. No nation can afford to let its trade drift for the sake of devotion to an economic theory which is in direct opposition to the teaching of economic fact. Will our awakening come too late?

CHAPTER XII

COLONIAL TAXES ON IMPORTS, ETC.*

WE have seen in Chapter III., Table 64, that our export trade with British colonies and possessions has been more progressive than our export trade with foreign countries, and the results in Chapters X. and XI. confirm this statement.

One reason why our export trade has been more progressive in regard to British colonies than in regard to foreign countries is that the import duties levied by British colonies upon our manufactured goods are much less severe than the import duties levied by foreign countries upon our manufactured goods.

The average import duties levied by foreign countries upon our manufactured goods have been stated in Chapter IX., and for convenience of comparison they are repeated here, side by side with the duties levied by some British colonies upon our manufactured goods—see Table 187.

The rates in Table 187 mean, that in Russia, for example, our exports of manufactured goods have to encounter an average import duty of £131 per £100 of their value.

The highest rate in British colonies is in Canada, where the rate is £17 of duty per £100 of value of the exports of manufactured goods from the United Kingdom.

The rates of import duty in Table 187 are quoted from page 292 of the Blue Book Cd. 2337 (1904). They have been computed by the Board of Trade after taking into account the relative importance of each of our representative classes of

* Based upon Blue Book Cd. 2337.

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manufactured goods exported to this or that foreign country or British possession.

And this is probably the best way to compute the average import duty on our exports of manufactured goods. It is not possible to obtain any clear idea of this average import duty by looking at the lists of import duties levied in this or that country upon each separate article, owing to the complexity of each country's tariff; nor is it possible to show a summary of each tariff which shall convey a proper idea of the incidence of each tariff.

TABLE 187.—THE AVERAGE RATE PER CENT. (*ad valorem*) OF THE IMPORT DUTY LEVIED IN CERTAIN FOREIGN COUNTRIES* AND IN CERTAIN BRITISH COLONIES AND POSSESSIONS, UPON ALL MANUFACTURED ARTICLES EXPORTED FROM THE UNITED KINGDOM.

Foreign Country.	Rate of Import Duty.	Foreign Country.	Rate of Import Duty.	British Colony or Possession.	Rate of Import Duty.
	Per cent		Per cent.		Per cent
Russia	131	Greece	19	Canada†	17
Spain	76	Denmark	18	New Zealand . . .	9
United States . .	73	Roumania	14	Australia	6
Portugal	71	Belgium	13	South Africa . . .	} 6
Austria-Hungary .	35	Norway	12	Customs Union† .	
France	34	Japan	9	British India . . .	3
Argentine Republic	28	Turkey	8		
Italy	27	Switzerland . . .	7		
Germany	25	China	5		
Sweden	23	Holland	3		

* See Note to Table 150.

† On the Preferential Tariff basis.

We are not justified in assuming that the rates of import duty in Table 187 coincide, as regards the order of the countries named, with the order of the *protective efficiency* of the tariff of each of these countries. The protective effect of a tariff is not necessarily proportionate to the average level of the duties, such as are shown in Table 187, but this protective effect of a tariff depends on many other features, such as the comparatively advanced or backward state of this or that industry protected in a foreign country. A 25 per cent.

import duty in Germany may, for example, give as much protection to a German industry as a 100 per cent. import duty may give in a country less advanced in manufactures than Germany; and a high duty may have no protective effect, if the article to which the high duty applies happen not to be made in the country which levies the high duty.

But we may regard the rates in Table 187 as indicating the order in which the various countries should be placed with regard to the comparative weight of their import duties upon the manufactured goods which are exported from the United Kingdom; and we see that British exports of manufactured goods are much more severely treated upon entry into foreign countries than upon entry into British colonies and possessions.

With further reference to the necessity pointed out in Chapter XI. for us to take action to check the rapid extension of British colonial imports from countries other than the United Kingdom, it is necessary here to refer to the notion that because our exports receive "most favoured nation treatment" from various foreign countries, therefore we need not to seek any alteration in our present method of trade.

What is this "most favoured nation treatment"? What does it actually mean? and which are the countries that give this treatment to our exports?

The term "most favoured nation" is applied to a clause generally inserted in commercial treaties between nations, by which the contracting nations bind themselves to grant to each other whatever privileges may be given by either of them to any third nation.

As to the actual meaning of this term. If you merely read the words "most favoured nation treatment," and the preceding general explanation of these four words, without looking farther, the idea is conveyed that if the United Kingdom receives "most favoured nation treatment" from other countries, this treatment may suffice to secure fair-play for British trade.

But looking farther than the actual words, it is easy to see that "most favoured nation treatment," as applied to British exports under our present system of trade, is in fact a sort of heads-I-win-and-tails-you-lose arrangement, the advantage of this arrangement going to foreign nations, and not coming to us.

For this reason. All countries receive from us "most favoured nation treatment" in a full and real sense, for we admit their goods free of import duty, with the exception of our import duty on articles of food, drink, and tobacco.

But the many countries from which we are supposed to receive "most favoured nation treatment" do not give to us any favoured treatment worth having, for the reason that they construct their tariffs so as to exclude or heavily to tax any of our exports they desire to tax. See, for example, Germany's tariff of March 1906.

In thus constructing a foreign tariff there is no nominal departure from a promise to give "most favoured nation treatment" to our goods, there is no invidious distinction of taxation directed against our goods. The simple process adopted by foreign countries is merely to raise their tariff against this or that class of goods at their own volition, and if this or that class of goods happen to come from the United Kingdom—as it commonly does—the "most favoured nation treatment" vanishes in fact, although it remains as a verbal figment.

The reality and the truth of this statement are proved in Chapters VII. and VIII., which show the actual results of foreign tariffs upon our exports; and the facts in Table 187, which relate to foreign taxation of our exports, are another actual proof of the futility of relying upon this "most favoured nation" fiction, which has for a long while been rendered nugatory by foreign tariffs, by which "most favoured nation treatment" is caused to be of no actual value to any open-market nation that nominally is to receive this treatment. Nations that have a Protective tariff are enabled to negotiate so as to prevent

another nation's tariff being made unduly severe upon the goods that an exporting nation desires to sell. But the United Kingdom is unable to enter upon such negotiation, for it has nothing to bargain with, and thus is left without defence against tariffs that cause the “most favoured nation treatment” to become something not worth the having—so far as the United Kingdom is concerned.

As to the countries from which we receive this useless “most favoured nation treatment,” we receive it, by various ancient and other commercial treaties, from the following countries :—

From Russia, by the treaty of 1859—see Russia's import duty levied on our exports, Table 187.

From Sweden and Norway, under the treaty of 1826.

From Denmark, under the treaty of 1670, nearly two-and-a-half centuries old.

Germany, by a notification issued in 1903, grants “most favoured nation treatment,” until further notice, to products of the United Kingdom and British possessions, except Canada. Canada is excepted because Canada gave real preferential treatment to our goods in 1898.

From Holland, under the treaty of 1837.

From Belgium, in virtue of an exchange of Notes in 1898.

From France, by a French law of 1882.

From Spain, 1894; from Italy, 1883; from Austria-Hungary, 1876; from Switzerland, 1855; from Greece, 1886; from Roumania, 1892 and 1906; from Turkey; from the United States, by the treaty of 1815; from Mexico, 1888; from the Argentine Republic, 1825; from Japan, 1911; from China, 1902; from Persia, 1903.

And there are other commercial treaties with Bulgaria and Roumania, etc.

We could scarcely have a longer list of nations from whom we are supposed to receive “most favoured nation treatment.”

The most useful and practical comment on this list is to refer readers to Chapters VII., VIII., and XI. of this book, and to Table 187, where the actual conditions affecting our export trade and the actual results of these conditions are shown without regard to the fallacious and misleading euphemism, "most favoured nation treatment."

CHAPTER XIII

AN INTERNATIONAL COMPARISON OF IMPORTS AND EXPORTS *

IN order to throw more light upon the course of our trade and upon our trade policy, we may usefully make an international comparison of commerce, so far as relates to the foreign trade of some principal nations.

A word of warning may here be addressed to those persons who are perhaps too ready to attach an undue importance to a country's foreign commerce. As Chapter I. plainly shows, the foreign trade of the United Kingdom gives no indication whatever of progress or of regress in the general industrial prosperity of the United Kingdom. Similarly, with other countries, their foreign commerce is not in any way necessarily an indication of their internal economic condition as regards prosperity or non-prosperity.

So many questions are asked in the House of Commons with regard to foreign trade, to which the President of the Board of Trade replies, these questions usually relating to matters that are apparently regarded as important, that it becomes most necessary to point out that a nation's foreign trade is relatively unimportant when compared with its home trade and industries.

This popular notion of attaching an undue importance to foreign commerce is possibly due to the fact that records of

* Based upon the 57th and earlier Statistical Abstracts for the United Kingdom; the 36th and earlier Statistical Abstracts for Foreign Countries; Accounts relating to Trade and Navigation, December 1910; upon information supplied by the Board of Trade.

foreign commerce receive much more recognition, much more quotation in newspapers, than other and more important economic facts that throw light upon the economic condition of this or that country. A year or two ago, a President of our Board of Trade who was making a political speech in the North, had the quarter's returns of our foreign trade telegraphed to him in order that he might use them in his speech as evidence of our general prosperity in trade. That is only one of numerous instances which could be cited to show that there is a widespread notion to the effect that an advance in foreign commerce necessarily implies an advance in the industrial prosperity of a country. Chapter I. shows how wholly fallacious this notion is.

Thus the main purpose of this chapter is not to deduce prosperity or non-prosperity of this or that country by examination of its foreign commerce. The purpose of this chapter is to show the progress or regress in foreign trade of the United Kingdom, as compared with the progress or regress in the foreign trade of foreign countries that work by the trade policy of Protection; because it is often asserted that a policy of Protection prevents the growth of foreign commerce. The counter-assertion being that Protection does not prevent the growth of commerce, but that Protection changes the nature of the goods composing foreign commerce to the advantage of the country that works by Protection.

Another point we have now to bear in mind is that, as Table 3 shows, we in the United Kingdom are much less occupied in Agriculture than are the populations of other countries. Our great predominance in commercial occupation, also shown in Table 3, coupled with our backward position in agriculture, form a combination that, other things apart, should put us in the forefront as regards foreign commerce. Although, as Chapter I. shows, this position relating to foreign commerce is no indication one way or the other of our economic condition of industrial prosperity or non-prosperity.

In this chapter, the special imports and the special

exports of ten principal trading nations have been treated by the method that has been applied to our own trade.

The ten principal European and American trading nations, stated in the order of their total volume of special trade* during the decade 1900-1909,† are :—

1. The United Kingdom.
2. Germany.
3. The United States.
4. France.
5. Holland. *
6. Belgium.
7. Austria-Hungary.
8. Russia.
9. Italy.
10. Spain.

In addition to observing the course of trade in each of these countries, we may observe the relation between the special imports and the special exports of each country.

Although foreign commerce must be put second to internal trade in economic importance, it is obvious that a country's foreign commerce does possess much value for a student of economic conditions. Thus we may usefully proceed to the investigation that follows.

UNITED KINGDOM, Table 188 :—Our special imports and special exports have already been dealt with, and they are repeated here for convenience of comparison with those of other countries, and for the purpose of showing the proportion between our imports and our exports.

We may note that during 1901-1910, as compared with 1880-1889, our special imports increased by 174 million £

* "Special trade" means imports for home consumption added to exports of home production.

† The year 1909 is the most recent for which all the facts are available. As regards Russia and Spain, the facts for the year 1909 are provisional figures. For some countries the year 1910 is included.

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yearly, or by 1740 million £ during the whole decade 1901-1910. The corresponding increase in our special exports was 110 millions yearly, or 1100 millions during 1901-1910. Of this amount, 223 million £ were due to increased exports of coal—see Table 66, Chapter III.

TABLE 188 — UNITED KINGDOM: SPECIAL IMPORTS COMPARED WITH
SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade.*

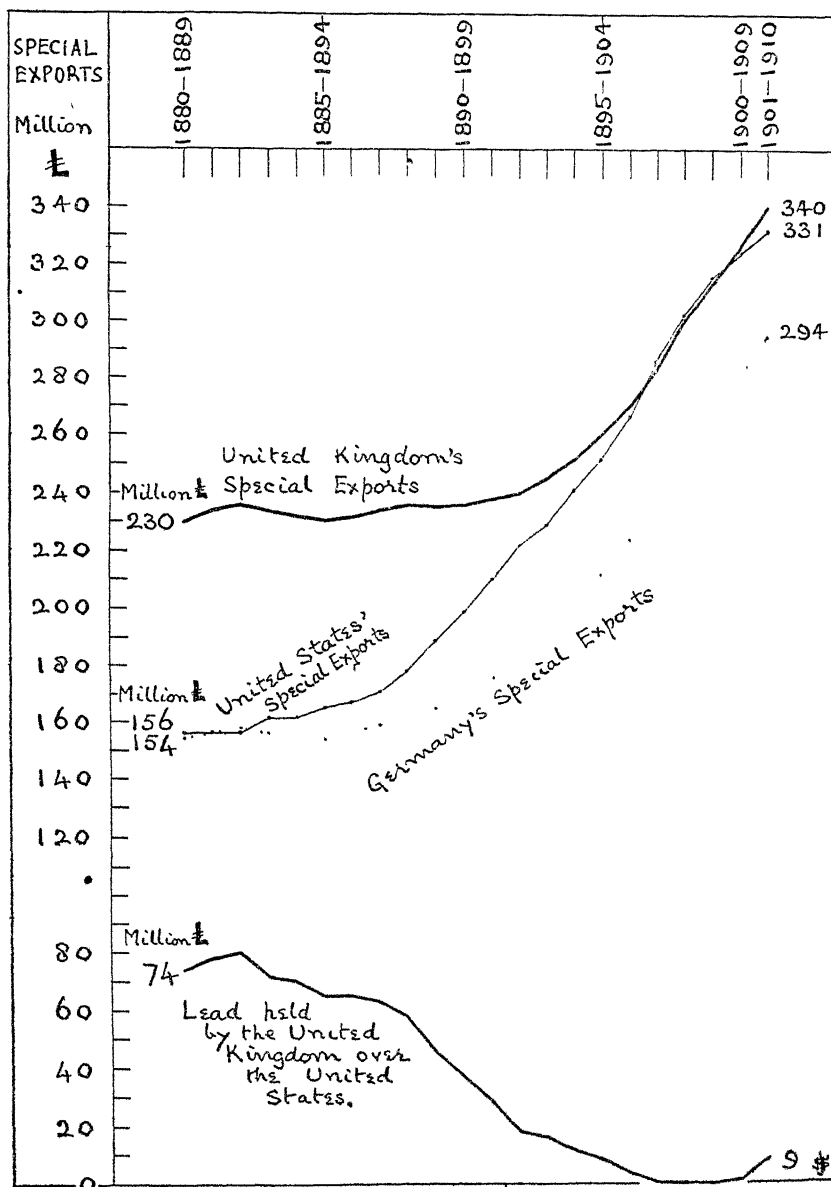
Decade.	Special Imports. <i>Table 41.</i>	Special Exports. <i>Table 54.</i>	Percentage proportion of A to B.	
	A	B.	Special Imports.	Special Exports.
	Million £	Million £.	Per cent	Per cent.
1880—1889	331	230	144	100
1881—1890	332	234	142	100
1882—1891	336	236	143	100
1883—1892	337	234	144	100
1884—1893	336	232	145	100
1885—1894	338	230	147	100
1886—1895	342	232	148	100
1887—1896	352	234	150	100
1888—1897	360	236	153	100
1889—1898	369	235	157	100
1890—1899	375	236	159	100
1891—1900	385	238	162	100
1892—1901	393	240	164	100
1893—1902	404	245	164	100
1894—1903	416	252	165	100
1895—1904	429	260	165	100
1896—1905	442	270	164	100
1897—1906	456	283	161	100
1898—1907	472	301	157	100
1899—1908	483	314	154	100
1900—1909	494	326	152	100
1901—1910	505	340	149	100

* Excluding ships, not recorded until 1899.

With regard to the relation between imports and exports, we see in Table 188 a large increase up to the decade 1895-1904. During 1880-1889 our special imports were £144 for every £100 of our special exports; during 1895-1904 they were £165 per £100, and during 1901-1910 the proportion had fallen to £149 per £100 of exports.

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DIAGRAM LXXIV—SEE TABLES 188, 189, 191 COMPARING THE UNITED KINGDOM,¹ GERMANY, AND THE UNITED STATES AS REGARDS SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

* Excluding ships, not recorded until 1899.

Example.—During the first decade the United Kingdom had a lead over the United States in Special Export Trade of 74 million £ yearly. This lead decreased to extinction, and gave place to a lead held by the United States over the United Kingdom. The latter regained a slight lead in the last two decades. Also, Germany has decreased the United Kingdom's lead over Germany in Special Export Trade from 76 million £ yearly to 46 million £ yearly.

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The enormous rise in our imports for consumption and the large proportion of these imports to our special exports are such prominent features of our special trade, that we may look with some interest at the corresponding results for other nations during the same period.

GERMANY, Table 189:—Special imports rose largely and continuously ; from 158 million £ yearly during 1880-1889 to

TABLE 189.—GERMANY: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Special Imports.*	Special Exports.*	Percentage proportion of A to B.	
	A.	B.	Special Imports.	Special Exports.
	Million £	Million £	Per cent.	Per cent.
1880—1889	158	154	102	100
1881—1890	165	156	105	100
1882—1891	171	157	108	100
1883—1892	176	156	112	100
1884—1893	179	155	115	100
1885—1894	182	154	118	100
1886—1895	188	157	120	100
1887—1896	196	159	123	100
1888—1897	203	162	126	100
1889—1898	212	165	129	100
1890—1899	220	170	129	100
1891—1900	228	176	129	100
1892—1901	234	183	128	100
1893—1902	242	191	127	100
1894—1903	252	201	126	100
1895—1904	264	212	125	100
1896—1905	279	224	125	100
1897—1906	298	238	125	100
1898—1907	318	254	125	100
1899—1908	331	268	124	100
1900—1909	346	280	124	100
1901—1910	360	294	123	100

* Including the value of ships, and also the “Veredelungsverkehr” (“Improvement Trade”) for home account in 1897 and after. The “Improvement Trade” means unfinished products imported into Germany to be subjected to a further manufacturing process; and also, unfinished products exported from Germany to undergo a further manufacturing process outside of Germany. The average yearly value of ships during 1897-1910 was trivial.

The above values in columns A and B have been converted throughout at the rate of 20 marks=£1. If the conversion-rate is taken at the present-day value of 1 mark=11·8 pence, the above values in columns A and B should be multiplied by ·983.

360 million £ yearly during 1901-1910 . an increase of 2020 million £ during the whole of the latter decade. This is a larger increase than our increase of 1740 million £.

Special exports also rose largely ; from 154 million £ yearly during 1880-1889 to 294 million £ yearly during 1901-1910 : an increase of 140 million £ yearly, or of 1400 million £ during 1901-1910. This is a larger increase than our increase of 1100 million £.

The relation between Germany's special imports and special exports rose from £102 of imports per £100 of exports during 1880-1889, to £129 per £100 of exports during a later period. And since 1891-1900 the proportion of imports has fallen to £123 per £100 of special exports.

The course of trade shown in Table 189 suggests that Germany reached her maximum of imports relatively to exports in the three decades that show £129 of special imports to £100 of special exports. There is a notable difference between the United Kingdom and Germany in this respect. Compare Tables 188 and 189. Also, we see that Germany has made much more advance than the United Kingdom, both in imports and in exports.

UNITED STATES, Table 190 :—Special imports rose from 139 million £ yearly during 1880-1889 to 237 million £ yearly during 1901-1910 : an increase of 98 million £ yearly, or of 980 millions during the whole decade 1901-1910.

The rise in special exports from the United States was from 156 million £ yearly during 1880-1889 to 331 million £ yearly during 1901-1910 : an increase of 175 millions yearly, or of 1750 million £ during the whole decade 1901-1910.

This increase is the largest yet shown ; it is much larger than our increase, and it is larger than Germany's increase. For the purpose of comparing these three countries, we must abstract from Tables 188-190 the increase in special exports during 1901-1910. Doing this, the three increases in special

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exports during 1901-1910 as compared with 1880-1889 are found to be—

United States,				an increase of 1750 million £.
Germany,	„	„	1400	„
United Kingdom,	„	„	1100	„

We have to bear in mind that these large actual increases for the United States and for Germany were increases upon a volume of trade that was respectively smaller than our special export trade—a fact that enhances the progress made by these two countries.

TABLE 190 — UNITED STATES: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Special Imports.	Special Exports.	Percentage proportion of A to B.	
	A.	B	Special Imports.	Special Exports.
	Million £.	Million £.	Per cent	Per cent.
1880—1889	139	156	89	100
1881—1890	141	156	90	100
1882—1891	145	156	93	100
1883—1892	148	162	91	100
1884—1893	151	162	93	100
1885—1894	150	165	91	100
1886—1895	154	167	92	100
1887—1896	157	171	92	100
1888—1897	159	178	89	100
1889—1898	156	189	83	100
1890—1899	155	199	78	100
1891—1900	156	210	75	100
1892—1901	156	222	70	100
1893—1902	158	229	69	100
1894—1903	161	241	67	100
1895—1904	168	252	67	100
1896—1905	176	267	66	100
1897—1906	185	285	65	100
1898—1907	198	302	66	100
1899—1908	211	315	67	100
1900—1909	223	324	69	100
1901—1910	237	331	72	100

Special imports into the United States have been less than special exports from the United States throughout the whole

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period of Table 190. Moreover, the proportion of imports to exports has fallen largely; this proportion was £89 per £100 of special exports during 1880-1889, and £72 of special imports per £100 of special exports during 1901-1910. The trade of the United States is a notable example of imports being below exports.

The comparison of Tables 188 and 190 given in Table 191 shows that during 1897-1906, 1898-1907, and 1899-1908 the

TABLE 191.—UNITED KINGDOM AND UNITED STATES: SPECIAL EXPORTS, 1880-1910. *Yearly Averages during each Decade* SHOWING THE PASSING OF LEADERSHIP FROM THE UNITED KINGDOM TO THE UNITED STATES

Decade.	Special Exports from		Lead held by the United Kingdom. (A - B.)	Lead held by the United States. (B - A.)
	United Kingdom. <i>Table 188.</i>	United States <i>Table 190.</i>		
	A.	B.		
	Million £	Million £	Million £	Million £.
1880—1889	230	156	74	
1881—1890	234	156	78	
1882—1891	236	156	80	
1883—1892	234	162	72	
1884—1893	232	162	70	
1885—1894	230	165	65	
1886—1895	232	167	65	
1887—1896	234	171	63	..
1888—1897	236	178	58	
1889—1898	235	189	46	
1890—1899	236	199	37	
1891—1900	238	210	28	
1892—1901	240	222	18	
1893—1902	245	229	16	
1894—1903	252	241	11	..
1895—1904	260	252	8	
1896—1905	270	267	3	...
1897—1906	283	285	...	2
1898—1907	301	302	...	1
1899—1908	314	315	...	1
1900—1909	326	324	2	...
1901—1910	340	331	9	...

^ Excluding ships, not recorded until 1899.

Note—If ships are included in the United Kingdom's exports, the United States first passed us in the year 1898 and again in the years 1901, 1905, and 1908.

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United States succeeded in passing the United Kingdom as regards special export trade. This interesting fact is the more notable when we look at the decade 1880-1889, and observe the large lead of 74 million £ yearly we then held over the United States in special export trade. And all the recent years of our greatly increased foreign commerce are included in Table 191.

This notable result is a useful illustration of the error of the economic theory that a country which protects its industries must necessarily in its foreign trade fall behind a country that does not protect its industries; for the United States have a high protective tariff. And this result also shows that practical economic investigation wholly invalidates theoretic economic belief.

Table 192 contains an instructive comparison between the United Kingdom, Germany, and the United States. It shows the actual yearly increase, in million £, in the special imports and in the special exports of each country during each decade as compared with the decade 1880-1889.

Bear in mind that the increases shown in Table 192 are not the increases from one decade to the following decade. They are, as already stated, the increases in each decade as compared with the decade 1880-1889.

Looking at special imports in Table 192, we see that throughout the whole period, Germany's imports increased much more than our imports increased—great as our increase has been. During the last decade, as compared with the first decade, Germany's increase was 202 million £ per year, and our increase was 174 million £ per year.

But economic theory asserts that a protective tariff such as Germany's must check imports. Economic fact proves indisputably that Germany's imports have advanced much more than our imports, despite the fact that Germany's greater advance has occurred in connection with a smaller volume of import trade than our import trade.

Imports into the United States have not increased so much

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TABLE 192—UNITED KINGDOM, GERMANY, UNITED STATES· SHOWING
THE ACTUAL INCREASE IN SPECIAL IMPORTS AND IN SPECIAL EXPORTS
DURING EACH DECADE, AS COMPARED WITH THE DECADE 1880-1889
Yearly Averages during each Decade

Decade.	Yearly Increase in Special Imports during each Decade, as compared with 1880-1889.			Yearly Increase in Special Exports during each Decade, as compared with 1880-1889		
	United Kingdom.	Germany	United States.	United Kingdom.	Germany.	United States
	<i>Table 188.</i>	<i>Table 189</i>	<i>Table 190</i>	<i>Table 188</i>	<i>Table 189.</i>	<i>Table 190.</i>
	Million £	Million £	Million £	Million £	Million £	Million £
1880—1889						
1881—1890	1	7	2	4	2	0
1882—1891	5	13	6	6	3	0
1883—1892	6	18	9	4	2	6
1884—1893	5	21	12	2	1	6
1885—1894	7	24	11	0	0	9
1886—1895	11	30	15	2	3	11
1887—1896	21	38	18	4	5	15
1888—1897	29	45	20	6	8	22
1889—1898	38	54	17	5	11	33
1890—1899	44	62	16	6	16	43
1891—1900	54	70	17	8	29	54
1892—1901	62	76	17	10	29	66
1893—1902	73	84	19	15	37	73
1894—1903	85	94	22	22	47	85
1895—1904	98	106	29	30	58	96
1896—1905	111	121	37	40	70	111
1897—1906	125	140	46	53	84	129
1898—1907	141	160	59	71	100	146
1899—1908	152	173	72	84	114	159
1900—1909	163	188	84	96	126	168
1901—1910	174	202	98	110	140	175
Yearly Rise from the first to the last Decade.	174	202	98	110	140	175

* Excluding ships, not recorded until 1899.

Observe that Germany's imports increased throughout more than the imports of the United Kingdom; that Germany's increase in exports was much larger than the United Kingdom's increase in exports; that, beginning with 1883-1892, the exports of the United States increased much more than the exports of the United Kingdom. Our exports were nearly stagnant until the decade 1882-1891, when a considerable increase set in.

as imports into the United Kingdom. The United States are much more largely self-feeding than we are, and thus their imports are not swelled as ours are by huge food-imports. Germany also is much more self-feeding than is the United Kingdom. Germany's imports are predominantly imports of raw materials for use in manufactures.

Looking at special exports in Table 192, we find that both Germany and the United States have increased their special exports much more than we have increased our special exports. Here again, the increases of Germany and of the United States have occurred in connection with a volume of export trade that was respectively smaller than our export trade—a fact that enhances the significance of the great progress made by our rivals. According to economic theory, such a result could not happen; but it has happened, and we have another proof that *doctrinaire* economic theory is absolutely worthless.

It may be useful here to mention a most fallacious comparison that is often made, namely, a comparison between the United States, Germany, and the United Kingdom, as regards their exports per head of population, in this year as compared with that year. One reason why this comparison is misleading is that three countries are compared as regards progress in exports per head of population whose populations increase at widely different rates of growth. Approximately, the population of the United States increases at 2 per cent. per annum; Germany's population grows at the rate of $1\frac{1}{2}$ per cent. per annum; and the United Kingdom's population increases at the rate of 1 per cent. per annum.

Thus, when these three countries are compared, for any two or more years, or periods, as regards exports per head of population, the measure of growth then applied to the United Kingdom's exports is a less severe test than that applied to Germany's exports, and a much less severe test than that applied to the exports of the United States. For in order that the exports of the United States may maintain their

place per head of population, these American exports must increase at not less than 2 per cent. per annum. But in order that the exports of the United Kingdom may hold their place per head of population, these British exports need an increase only at the rate of 1 per cent. per annum.

This misleading comparison is like measuring the height of an English boy with a foot-rule having 12 inches to the foot; to taking a German boy's height with a rule having 18 inches to the foot; to testing an American boy's height with a measure that has 24 inches to the foot; and then stating the results in feet. This erroneous comparison is often made, and it is then asserted that the English boy is growing much faster and taller than the German or the American boy; and the parents of the English boy are duly gratified and misled.

This serious blunder ought to be clearly seen, because it often occurs in official Blue Books and elsewhere.

Another reason why it is fallacious to compare different countries on the basis of "exports per head of population," is that as Table 3, Chapter I., shows, the United Kingdom has a much smaller proportion of its population engaged in Agriculture and a much larger proportion of its population engaged in Commerce than is the case with other nations, such as Germany and the United States. These and other foreign countries may be and probably are more productively occupied than is our population (see Chapter I.), but their populations are not so largely engaged in commerce as is the population of the United Kingdom.

FRANCE, Table 193:—Special imports into France have fallen in some decades since 1880-1889, although there has been a nearly continuous rise since 1888-1897. And comparing the first and the last decades in Table 193, we see the rise was 35 million £ yearly, or 350 million £ during the whole of the decade 1901-1910. France is largely self-feeding, and her

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imports of food are trivial as compared with our imports of food. The bulk of France's imports are Raw Materials for use in manufactures.

France's special exports have risen continuously since 1886-1895; earlier than that decade there was not any material change.

TABLE 193 —FRANCE: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Special Imports.	Special Exports.	Percentage proportion of A to B.	
	A.	B.	Special Imports.	Special Exports.
	Million £	Million £	Per cent	Per cent
1880—1889	178	135	132	100
1881—1890	176	136	129	100
1882—1891	176	136	129	100
1883—1892	173	136	127	100
1884—1893	169	135	125	100
1885—1894	167	135	125	100
1886—1895	166	135	122	100
1887—1896	164	136	121	100
1888—1897	164	138	119	100
1889—1898	165	139	119	100
1890—1899	166	140	118	100
1891—1900	167	142	118	100
1892—1901	166	144	115	100
1893—1902	167	147	113	100
1894—1903	170	151	113	100
1895—1904	173	156	111	100
1896—1905	177	162	109	100
1897—1906	184	170	109	100
1898—1907	194	178	109	100
1899—1908	198	184	108	100
1900—1909	205	190	108	100
1901—1910	213	199	107	100

During 1880-1889 France's special exports were 135 million £ yearly, and they were 199 million £ yearly during 1901-1910: a rise of 64 million £ yearly, or of 640 million £ during the whole decade 1901-1910.

Table 193 shows a large and continuous fall in the proportion of France's special imports to France's special exports.

During 1880-1889 special imports were £132 to £100 of special exports; during 1901-1910 the proportion was £107 to £100 of special exports.

France has passed, years ago, her maximum of imports relatively to exports. And in this respect France's trade marches with the trade of Germany and of the United States; where also the maximum percentage of imports to exports has been reached in years more or less remote from the present time.

We should take note of these broad features of international trade; they may lead to the deduction of a general feature of international trade, largely catholic in quality, outside of the United Kingdom.

HOLLAND, Table 194 :—Special imports into Holland have largely increased; from 89 million £ yearly during 1880-1889 to 204 million £ yearly during 1900-1909: an increase of 115 million £ yearly, or of 1150 million £ during the whole of the last decade.

And there has been a large rise in Holland's special exports; from 71 million £ yearly during 1880-1889 to 167 million £ yearly during 1900-1909: an increase of 96 million £ yearly, or of 960 million £ during the whole decade 1900-1909. But although these are stated to be Holland's exports of home production, some of this trade is, in fact, transit trade.

The proportion of special imports to special exports was at its maximum during the decade 1880-1889, when Holland's special imports were £124 per £100 of Holland's special exports. The fall has not been large. The proportion during 1900-1909 was £122 of special imports per £100 of special exports.

Holland goes with Germany, the United States, and France in this fall in the proportion of imports to exports. If it be true that a vast excess of imports over exports is the real measure of a nation's prosperity in trade, these

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nations and others must be far behind us in commercial prosperity.

TABLE 194.—HOLLAND: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1909 *Yearly Averages during each Decade*

Decade.	Special Imports	Special Exports.	Percentage proportion of A to B.	
	A.	B.	Special Imports	Special Exports.
	Million £	Million £	Per cent	Per cent.
1880—1889	89	71	124	100
1881—1890	93	75	123	100
1882—1891	96	79	122	100
1883—1892	99	82	120	100
1884—1893	102	86	118	100
1885—1894	104	88	118	100
1886—1895	107	91	118	100
1887—1896	112	94	119	100
1888—1897	116	98	119	100
1889—1898	121	101	119	100
1890—1899	126	105	120	100
1891—1900	132	110	119	100
1892—1901	138	115	119	100
1893—1902	145	121	120	100
1894—1903	152	128	119	100
1895—1904	160	135	118	100
1896—1905	170	142	119	100
1897—1906	177	148	119	100
1898—1907	185	154	120	100
1899—1908	194	160	121	100
1900—1909	204	167	122	100

* Some of Holland's alleged "special" trade is, in fact, transit trade. Moreover, the official returns are inflated, as they are based upon fixed official values. But these considerations do not invalidate the above comparative showing of the course of trade.

The five countries that have now been dealt with are considerably the most important trading nations of the world; in each of them the special exports during the last decade exceeded 100 million £ yearly. In Table 195 these five countries are compared as regards the actual yearly increase in their special exports during each decade, as compared with the decade 1880-1889. We see that, despite the inclusion of all the recent record years of our trade, our advance has been much below that of other countries. And the prolonged

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TABLE 195. — THE FIVE PRINCIPAL TRADING NATIONS, 1880-1910.
SHOWING THE ACTUAL YEARLY INCREASE IN THEIR SPECIAL EXPORTS
DURING EACH DECADE, AS COMPARED WITH THE DECADE 1880-1889
Yearly Averages during each Decade

Decade.	Yearly Increase in Special Exports during each Decade, as compared with the Decade 1880-1889.					
	United Kingdom		Germany	United States	France.	Holland
	Including Coal.	Excluding Coal.				
	Table 188.*	Table 62.	Table 189.	Table 190.	Table 193	Table 194.
	Million £	Million £	Million £	Million £	Million £	Million £
1880—1889		...				
1881—1890	4	3	2	0	1	4
1882—1891	6	3	3	0	1	8
1883—1892	4	1	2	6	1	11
1884—1893	2	-1†	1	6	0	15
1885—1894	0	-4‡	0	9	0	17
1886—1895	2	-3‡	3	11	0	20
1887—1896	4	-1‡	5	15	1	23
1888—1897	6	0	8	22	3	27
1889—1898	5	-1‡	11	33	4	30
1890—1899	6	-1‡	16	43	5	34
1891—1900	8	-1‡	22	54	7	39
1892—1901	10	0	29	66	9	44
1893—1902	15	4	37	73	12	50
1894—1903	22	9	47	85	16	57
1895—1904	30	16	58	96	21	64
1896—1905	40	25	70	111	27	71
1897—1906	53	36	84	129	35	77
1898—1907	71	52	100	146	43	83
1899—1908	84	63	114	159	49	89
1900—1909	96	73	126	168	55	96
1901—1910	110	87	140	175	64	.
Yearly Rise from the first to the last Decade	110	87	140	175	64	96§

* Excluding ships, not recorded until 1899.

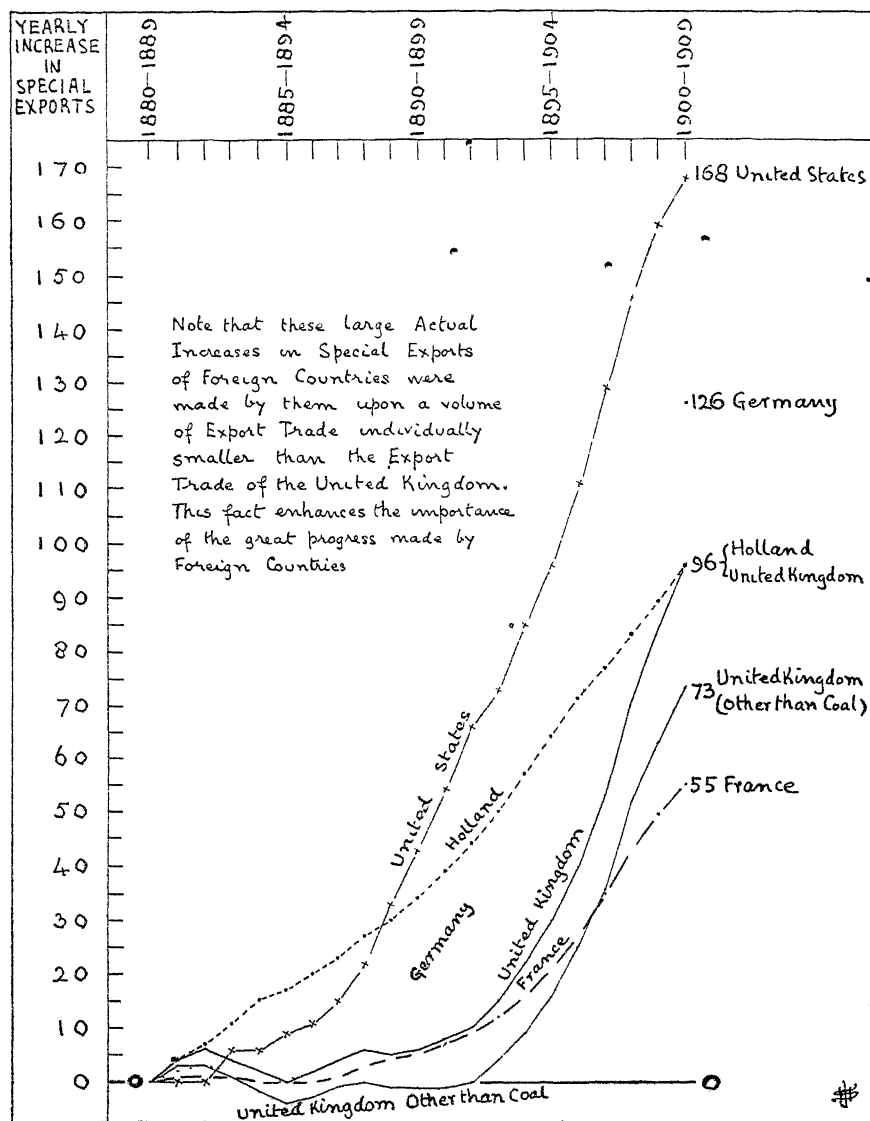
† See the Note to Table 194.

‡ During these decades our special exports other than coal were of a smaller yearly value than during the decade 1880-1889. These exports were stagnant or declining until the decade 1894-1903, when a large rise set in.

§ This increase for Holland stops with the decade 1900-1909. The increases for the other countries cover the decade 1901-1910. Bear in mind that the much larger increases in special export trade made by foreign countries occurred in connection with a smaller volume of trade than our trade. This fact enhances the importance of the larger increases in the export trade of foreign countries.

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DIAGRAM LXXV.—SEE TABLE 195. THE FIVE PRINCIPAL TRADING NATIONS, 1880-1909: SHOWING THE YEARLY ACTUAL INCREASE IN THEIR SPECIAL EXPORTS SINCE THE DECADE 1880-1889. *Yearly Averages during each Decade. STATED IN MILLION £.*



Keep the base-line 0 in sight.

Example.—During the last decade the Special Exports of the United States were 168 million £ more *per year* than during the first decade.

Observe that the Special Exports of the United Kingdom other than Coal decreased during a large part of the period observed

stagnation, or decline, in our special exports other than coal is a notable feature of Table 195.

Table 196 compares these five countries as regards the rate of growth of their special exports during the period 1880-1909—the actual exports having been stated in preceding tables, and the actual increase in Table 195.

TABLE 196—THE FIVE PRINCIPAL TRADING NATIONS, 1880-1910:
SHOWING THE YEARLY RATE OF GROWTH IN THEIR SPECIAL EXPORTS, BEGINNING AT 100. *Yearly Averages during each Decade.*

Decade.	Growth of Special Exports, beginning at 100.					
	United Kingdom.		Germany	United States.	France.	Holland.
	Including Coal.	Excluding Coal.				
1880—1889	100	100	100	100	100	100
1881—1890	102	101	101	100	101	105
1882—1891	102	101	102	100	101	111
1883—1892	102	100	101	104	101	115
1884—1893	101	99	101	104	100	120
1885—1894	100	98	100	106	99	123
1886—1895	101	99	101	107	100	127
1887—1896	102	100	103	110	101	131
1888—1897	102	100	105	114	102	137
1889—1898	102	100	107	121	102	142
1890—1899	103	99	110	128	104	147
1891—1900	103	99	114	135	105	154
1892—1901	104	100	118	142	106	161
1893—1902	107	102	124	147	108	170
1894—1903	110	104	130	154	112	179
1895—1904	113	107	137	162	116	189
1896—1905	117	112	145	171	120	199
1897—1906	123	117	154	183	126	208
1898—1907	131	124	165	194	132	216
1899—1908	137	129	173	202	136	224
1900—1909	142	133	181	208	141	234
1901—1910	148	140	190	212	147	...

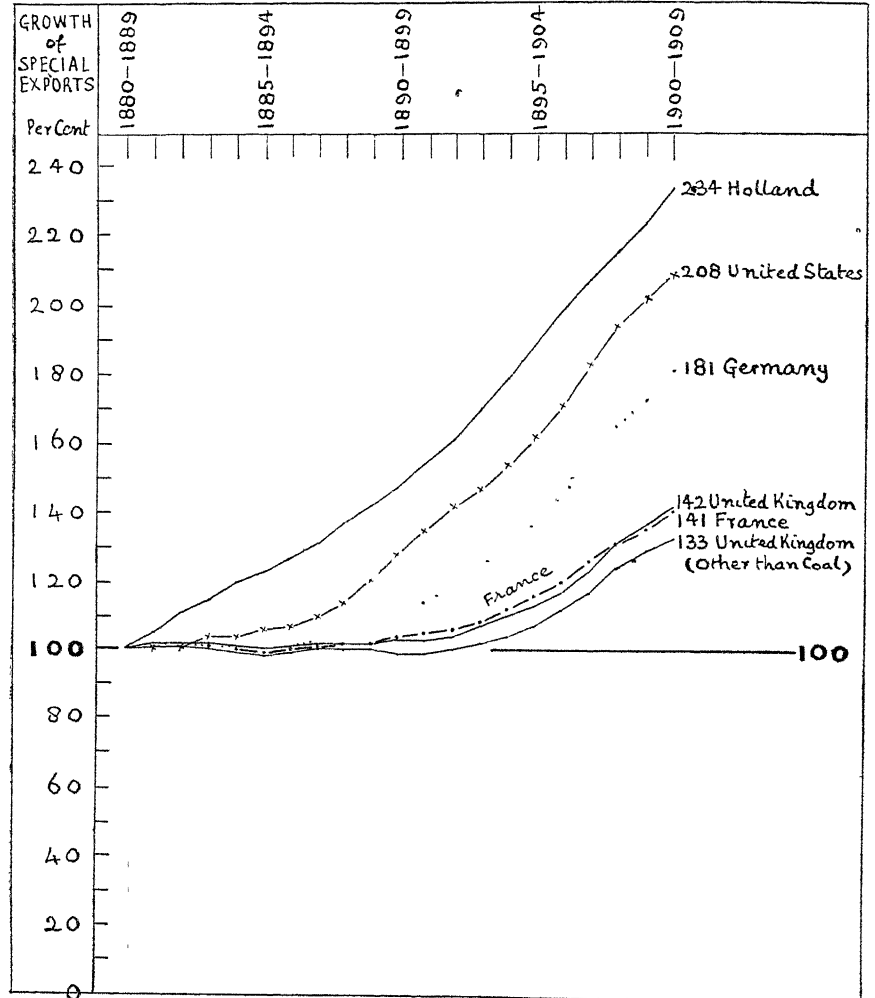
* Excluding ships, not recorded until 1899.

Note.—See Tables 62, 188 to 194, for the actual exports upon which the above rates of growth are based; and observe that the United Kingdom's progress is much below that of the other countries, with the exception of France, whose progress has only slightly exceeded that of the United Kingdom, throughout the greater part of the period.

We see that the progress of the United Kingdom in special exports is not only much below that made by her principal

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DIAGRAM LXXVI.—SEE TABLE 196 THE FIVE PRINCIPAL TRADING NATIONS: SHOWING THE YEARLY RATE OF GROWTH IN THEIR SPECIAL EXPORTS, 1880-1909 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the last decade the United States' Special Exports were £208 for every £100 of their special exports during 1880-1889—a growth of 108 per cent.

Observe the prolonged stagnation, or decline, in the United Kingdom's Special Exports other than Coal, before the rise began in the decade 1894-1903

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rivals, but that also it has been far less steady. Inspection of Table 196 shows that during the greater part of the table there was stagnation in the special exports of the United Kingdom; and the advance made in recent years has but slightly made up for this prolonged stagnation. In the other countries, not only has the progress in export trade been much greater, but it has been much more steady and of much longer duration than in the United Kingdom. And we have also seen, in Table 191, that the United States has in late years taken the place of the United Kingdom as the leading exporting country of the world.

BELGIUM, Table 197 :—There has been a nearly continuous

TABLE 197—BELGIUM: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Special Imports.*	Special Exports.†	Percentage proportion of A to B	
	A.	B.	Special Imports.	Special Exports.
	Million £.	Million £.	Per cent	Per cent
1880—1889	60·4	51·4	118	100
1881—1890	60·4	52·3	116	100
1882—1891	61·1	53·1	115	100
1883—1892	60·8	53·3	114	100
1884—1893	60·9	53·4	114	100
1885—1894	61·5	53·2	115	100
1886—1895	62·8	54·0	116	100
1887—1896	64·6	55·1	117	100
1888—1897	66·1	56·4	117	100
1889—1898	67·9	58·3	116	100
1890—1899	70·5	60·0	117	100
1891—1900	72·5	61·8	117	100
1892—1901	74·0	62·9	118	100
1893—1902	77·2	64·9	119	100
1894—1903	81·2	67·6	120	100
1895—1904	85·8	70·9	121	100
1896—1905	91·0	74·4	122	100
1897—1906	97·4	79·5	123	100
1898—1907	104·9	84·3	124	100
1899—1908	109·9	87·2	126	100
1900—1909	115·6	90·7	128	100

* Excluding rough diamonds. } Not recorded until 1897. The value of these diamonds
† Excluding cut diamonds. } is estimated for the single years 1904-1909.

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rise in Belgium's special imports: from 60·4 million £ yearly during 1880-1889 to 115·6 million £ yearly during 1900-1909.

This is an increase of 55·2 million £ yearly during 1900-1909, or of 552 million £ during the whole decade.

The rise in Belgium's special exports was from 51·4 million £ yearly during 1880-1889 to 90·7 million £ yearly during 1900-1909: an increase of 393 million £ during the whole of the latter decade.

The proportion of imports to exports was £118 of special imports to £100 of special exports during 1880-1889, and £128 per £100 during 1900-1909.

TABLE 198 —AUSTRIA-HUNGARY: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Special Imports.	Special Exports.	Percentage proportion of A to B.	
	A.	B.	Special Imports.	Special Exports.
	Million £.	Million £	Per cent.	Per cent
1880—1889	49·5	59·7	83	100
1881—1890	49·4	60·5	82	100
1882—1891	49·2	61·0	81	100
1883—1892	48·9	60·5	81	100
1884—1893	49·3	61·0	81	100
1885—1894	50·0	61·8	81	100
1886—1895	51·4	62·4	82	100
1887—1896	52·8	63·0	84	100
1888—1897	54·4	63·8	85	100
1889—1898	56·7	64·5	88	100
1890—1899	58·5	65·9	89	100
1891—1900	60·5	67·5	90	100
1892—1901	62·3	68·8	91	100
1893—1902	64·3	70·8	91	100
1894—1903	66·5	72·9	91	100
1895—1904	69·2	75·0	92	100
1896—1905	72·1	78·2	92	100
1897—1906	76·0	81·6	93	100
1898—1907	80·1	85·5	94	100
1899—1908	83·3	88·2	94	100
1900—1909	88·0	90·1	98	100
1901—1910	92·8	91·9	101	100

AUSTRIA-HUNGARY, Table 198 :—The rise in special imports was from 49·5 million £ yearly during 1880-1889 to 92·8 million £ yearly during 1901-1910 : an increase of 433 million £ during the whole of the latter decade.

Austria-Hungary's rise in special exports was from 59·7 million £ yearly during 1880-1889 to 91·9 million £ yearly during 1901-1910 : an increase of 322 million £ during the whole of the latter decade.

The proportion of imports to exports has increased. During 1880-1889 there were £83 of special imports to £100 of special exports ; during 1901-1910 the percentage was £101 per £100 of special exports.

RUSSIA, Table 199 :—Special imports fell during the first

TABLE 199.—RUSSIAN EMPIRE : SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Special Imports.	Special Exports.	Percentage proportion of A to B.	
	A.	B.	Special Imports.	Special Exports.
	Million £	Million £	Per cent	Per cent
1880—1889	49·0	60·4	81	100
1881—1890	46·9	62·3	75	100
1882—1891	45·5	64·3	71	100
1883—1892	43·9	62·9	70	100
1884—1893	42·9	62·5	69	100
1885—1894	43·1	63·3	68	100
1886—1895	44·2	64·8	68	100
1887—1896	45·8	66·8	69	100
1888—1897	47·7	68·2	70	100
1889—1898	50·3	68·1	74	100
1890—1899	52·8	67·2	78	100
1891—1900	55·3	67·9	81	100
1892—1901	57·7	68·8	84	100
1893—1902	60·0	73·2	82	100
1894—1903	62·6	77·7	80	100
1895—1904	63·8	81·7	78	100
1896—1905	65·2	86·2	76	100
1897—1906	67·7	90·8	75	100
1898—1907	70·8	94·3	75	100
1899—1908	73·9	97·1	76	100
1900—1909	77·2	100·6	77	100

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five decades, and thereafter rose continuously. Russia's industrial development is one cause of the large increase in Russia's imports. The increase during 1900-1909, as compared with 1880-1889, was 28·2 million £ yearly, or 282 million £ during the whole decade 1900-1909.

Special exports have risen, with fluctuation, from 60·4 million £ yearly during 1880-1889 to 100·6 million £ yearly during 1900-1909: an increase of 402 million £ during the whole of the latter decade.

The proportion of special imports to special exports has fluctuated. This proportion was £81 per £100 of special exports during 1880-1889, and £77 per £100 during 1900-1909. The maximum occurred during 1892-1901—£84 per £100.

We see that Russia is the third instance of special imports being below special exports; the two other countries hitherto dealt with and showing this feature being the United States and Austria-Hungary.

ITALY, Table 200:—Special imports fell during the first part of Table 200, and they have risen continuously since 1888-1897. These imports were 53·4 million £ yearly during 1880-1889, and 96 million £ yearly during 1901-1910: an increase of 42·6 million £ yearly, or of 426 million £ during the whole decade 1901-1910.

Italy's special exports fell during the first six decades, and rose continuously since 1885-1894; during 1880-1889 these exports were 42 million £ yearly, and during 1901-1910 they were 68·7 million £ yearly: an increase of 267 million £ during the whole of the latter decade.

The proportion of special imports to special exports has fallen largely since 1884-1893, with recovery in recent years. The rise from the first decade to the last decade in Table 200 was from £127 of special imports per £100 of special exports to £140 per £100.

TABLE 200.—ITALY: SPECIAL IMPORTS COMPARED WITH SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade*

Decade.	Special Imports. [*]	Special Exports. [*]	Percentage proportion of A to B	
	A.	B.	Special Imports.	Special Exports
	Million £	Million £	Per cent	Per cent
1880—1889	53.4	42.0	127	100
1881—1890	53.9	41.2	131	100
1882—1891	53.5	40.0	134	100
1883—1892	53.3	39.2	136	100
1884—1893	52.9	38.4	138	100
1885—1894	52.0	38.2	136	100
1886—1895	50.9	38.5	132	100
1887—1896	49.8	38.6	129	100
1888—1897	48.1	39.0	123	100
1889—1898	49.1	40.2	122	100
1890—1899	49.5	42.2	118	100
1891—1900	51.1	43.9	116	100
1892—1901	53.4	45.9	116	100
1893—1902	55.8	48.0	116	100
1894—1903	58.5	50.2	117	100
1895—1904	61.8	52.5	118	100
1896—1905	65.3	55.2	118	100
1897—1906	70.8	58.8	121	100
1898—1907	77.6	62.2	125	100
1899—1908	83.6	64.3	130	100
1900—1909	90.0	66.0	136	100
1901—1910	96.0	68.7	140	100

^{*} Including Silver Bullion.

SPAIN, Table 201 :—Special trade is not recorded for all the years of the period 1880-1909. For this reason Spain's general imports and general exports are shown. These do not largely exceed the special imports and exports, as Spain's re-exports are small.

Imports rose, with fluctuation, from 31.5 million £ yearly during 1880-1889 to 40.3 million £ yearly during 1900-1909: an increase of 88 million £ during the whole of the latter decade.

Exports rose from 28.9 million £ yearly during 1880-1889 to 37 million £ yearly during 1900-1909: an increase of 81 million £ during the whole of the latter decade.

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The proportion of imports to exports fell continuously until near to the end of Table 201, and then rose.

TABLE 201—SPAIN: GENERAL⁺ IMPORTS COMPARED WITH GENERAL EXPORTS, 1880-1909. *Yearly Averages during each Decade.*

Decade	General Imports.	General Exports.	Percentage proportion of A to B.	
	A.	B.	General Imports.	General Exports.
	Million £.	• Million £	Per cent	Per cent
1880—1889	31·5	28·9	109	100
1881—1890	32·4	30·1	108	100
1882—1891	33·8	31·1	109	100
1883—1892	34·0	31·1	109	100
1884—1893	33·5	31·1	108	100
1885—1894	33·6	31·3	107	100
1886—1895	33·9	31·7	107	100
1887—1896	34·1	32·9	104	100
1888—1897	34·5	34·3	101	100
1889—1898	34·5	34·9	99	100
1890—1899	35·2	34·8	101	100
1891—1900	35·4	34·4	103	100
1892—1901	35·1	33·8	104	100
1893—1902	35·4	34·2	104	100
1894—1903	36·2	35·1	103	100
1895—1904	36·8	36·3	102	100
1896—1905	37·8	37·0	102	100
1897—1906	38·4	36·7	105	100
1898—1907	38·8	36·4	107	100
1899—1908	40·2	36·6	110	100
1900—1909	40·3	37·0	109	100

⁺ Spain's Special Imports and Exports were not recorded for all the years 1880-1909. These results include Bullion and Specie.

The percentage during 1880-1889 was £109 of imports to £100 of exports; and during 1900-1909, £109 to £100.

The more important results of this international comparison of trade may now be summed up. In order that the comparison may be just, the same decades must be used for each country, and this condition causes 1900-1909 to be the last decade that can be used, as the records for all the ten countries do not go beyond 1900-1909.

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Table 202 shows the special imports of each country during the whole decade 1880-1889, and during the whole decade 1900-1909. We have also the increase in special imports during the latter decade, and the percentage proportion of that increase.

TABLE 202.—A SUMMARY SHOWING THE SPECIAL IMPORTS OF THE TEN PRINCIPAL TRADING NATIONS DURING 1880-1889 AND DURING 1900-1909.*

Table and Country.	Special Imports.			Percentage proportion of B to A.	
	During 1880-1889. A.	During 1900-1909. B.	Total Increase during 1900-1909	Special Imports during 1880-1889.	Special Imports during 1900-1909.
TABLE. 188. United Kingdom	Million £ 3311	Million £ 4942	Million £ 1631	Per cent 100	Per cent 149
189. Germany . . .	1584	3462	1878	100	219
190. United States . .	1386	2230	844	100	161
193. France . . .	1785	2052	267	100	115
194. Holland . . .	888	2038	1150	100	229
197. Belgium . . .	604	1156	552	100	191
198. Austria-Hungary .	495	880	385	100	178
199. Russia . . .	490	772	282	100	157
200. Italy . . .	534	900	366	100	169
201. Spain † . . .	315	403	88	100	128
The above 9 Foreign Countries combined	8081	13893	5812	100	172

* This comparison cannot extend beyond 1909, as the later facts are not yet published for all the countries. The above results have been taken from the working sheets upon which the condensed results in Tables 188-201 are based.

† These are Spain's General Imports.

Observe that during 1900-1909 the increase in Germany's imports was 1878 million £, as compared with the United Kingdom's increase of 1631 million £.

The increase in special imports into the United Kingdom was 1631 million £ during 1900-1909, as compared with 1880-1889: an increase of 49 per cent.

Germany's increase in special imports was even larger than our own. The increase was 1878 million £ during 1900-1909, as compared with 1880-1889: an increase of 119 per cent.

Holland's increase in special imports was also large; and

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the actual increase was considerable in some other countries—United States, Belgium, Austria, Russia, Italy. The percentage of increase in special imports was larger than our own in Germany, United States, Holland, Belgium, Austria-Hungary, Russia, Italy, and also for the nine foreign countries combined. The rate of increase in the imports of France and Spain was not as large as our rate of increase.

The nine foreign countries combined increased their special imports by 72 per cent. during 1900-1909, as compared with 1880-1889: a considerably higher rate of increase than the United Kingdom's 49 per cent.

And, as we see in Table 203, these nine foreign countries have also largely increased their special exports as well as their special imports; their increase in special exports has been greatly in excess of the increase in the special exports of the United Kingdom.

Our increase in special exports during 1900-1909, as compared with 1880-1889, was 958 million £; and of this amount, no less than 224 millions were in respect of increased coal exports. The increase in our special exports other than coal was 734 millions.

Compared with this increase, the increase for the United States was 1681 million £; Germany's increase was 1251 millions; Holland's increase in special exports was 957 millions; and there were large increases in France, Russia, Belgium, Austria-Hungary.

Looking in Table 203 at the percentage of increase in special exports during 1900-1909 as compared with 1880-1889, we see that our increase was 42 per cent. This was made up of an increase of 33 per cent. in our exports other than coal, and of an increase of 213 per cent. in our exports of coal.

Seven of the nine foreign countries exceeded this rate of growth—most of them greatly exceeded it.

Holland's rate of increase in special exports was 134 per cent.; the United States, 108 per cent.; Germany, 81 per

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cent.; Belgium, 76 per cent.; and Russia, Italy, Austria-Hungary, each exceeded the United Kingdom in the rate of increase in their special exports.

TABLE 203—A SUMMARY SHOWING THE SPECIAL EXPORTS OF THE TEN PRINCIPAL TRADING NATIONS DURING 1880-1889 AND DURING 1900-1909.*

Table and Country.	Special Exports.			Percentage proportion of B to A	
	During 1880-1889. A.	During 1900-1909 B.	Total Increase during 1900-1909.	Special Exports during 1880-1889.	Special Exports during 1900-1909
TABLE 188. United Kingdom†	Million £ 2302	Million £. 3260	Million £ 958‡	Per cent 100	Per cent 142
189. Germany . .	1545	2796	1251 §	100	181
190. United States	1558	3239	1681	100	208
193. France . . .	1353	1904	551	100	141
194. Holland . . .	715	1672	957	100	234
197. Belgium . . .	514	907	393	100	176
198. Austria-Hungary	597	901	304	100	151
199. Russia . . .	604	1006	402	100	166
200. Italy	420	660	240	100	157
201. Spain|| . . .	289	370	81	100	128
The above 9 Foreign Countries combined	7595	13455	5860	100	177

* See Note to Table 202.

† Excluding ships, not recorded until 1899. Exports of ships from the United Kingdom during 1899-1909 were valued at \$2 million £, an average of 7.5 million £ yearly.

‡ Of this increase, 224 million £ related to increased coal exports, and 734 million £ to the increase in Exports other than Coal. And our increase of 42 per cent. was made up of an increase of 38 per cent. in our exports other than coal, and of an increase of 213 per cent. in our exports of coal.

§ See Note to Table 189.

|| These are Spain's General Exports.

Observe that during 1900-1909 the special exports of the United States were 3239 million £, as compared with the United Kingdom's special exports of 3260 million £.

The nine foreign countries combined increased their special exports by 5860 million £ during 1900-1909 as compared with 1880-1889, or by 77 per cent. Our increase was only 42 per cent.

We come now to an international comparison of the excess of special imports over special exports—Table 203A.

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In the United Kingdom this excess of special imports was 1009 million £ during 1880-1889, and 1682 million £ during 1900-1909 : an increase of 673 millions.

TABLE 203A.—A SUMMARY SHOWING THE EXCESS OF SPECIAL IMPORTS OR THE EXCESS OF SPECIAL EXPORTS FOR EACH OF THE TEN PRINCIPAL TRADING NATIONS DURING 1880-1889 AND DURING 1900-1909.

Table and Country.	Excess of Special Imports, or Excess of Special Exports.			
	During 1880-1889.		During 1900-1909.	
	Excess of Special Imports.	Excess of Special Exports	Excess of Special Imports.	Excess of Special Exports.
TABLE.	Million £	Million £.	Million £	Million £
188. United Kingdom	1009*		1682*	
189. Germany	39		666	
190. United States		172	..	1009
193. France	432	..	148	..
194. Holland	173		366	..
197. Belgium	90		249	..
198. Austria-Hungary		102	.	21
199. Russia		114	.	234
200. Italy	114	..	240	..
201. Spain	26		33	..
	874	388	1702	1264
The above 9 Foreign Countries combined	486†	...	438†	.

Note.—Observe the large and much increased Excess of Special Imports for the United Kingdom (*) as compared with the small and decreased Excess of Special Imports for the nine foreign countries combined (†).

Germany's excess of special imports was 39 million £ during the whole decade 1880-1889, and 666 millions during 1900-1909 : a large increase of 627 millions.

There were considerable increases in the excess of special imports in Holland and in Belgium, and the excess of special imports decreased in France.

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The United States had an excess of special exports over special imports, which increased from 172 to 1009 millions: an increase of 837 millions during 1900-1909.

Russia and Austria-Hungary each had an excess of special exports, diminishing for Austria-Hungary and increasing for Russia.

Taking the nine foreign countries as one whole, the excess of special imports was 486 million £ during 1880-1889, and 438 million £ during 1900-1909: a decrease of 48 millions. Compared with this decrease in the excess of special imports, our increase in the excess of special imports was 673 millions: a notable contrast.

TABLE 204—A SUMMARY SHOWING THE PERCENTAGE PROPORTION OF SPECIAL IMPORTS TO SPECIAL EXPORTS FOR EACH OF THE TEN PRINCIPAL TRADING NATIONS DURING 1880-1889 AND DURING 1900-1909.

Table and Country.	Percentage proportion of Special Imports to Special Exports.				Result.
	During 1880-1889.		During 1900-1909.		
	Special Imports.	Special Exports.	Special Imports.	Special Exports.	
TABLE 188. United Kingdom	Per cent 144*	Per cent 100	Per cent 152*	Per cent 100	A Rise
189. Germany . .	102	100	124	100	A Rise
190. United States .	89	100	69	100	A Fall
193. France . .	132	100	108	100	A Fall
194. Holland . .	124	100	122	100	A Fall
197. Belgium . .	118	100	128	100	A Rise
198. Austria-Hungary	83	100	98	100	A Rise
199. Russia . .	81	100	77	100	A Fall
200. Italy . . .	127	100	136	100	A Rise
201. Spain. . .	109	100	109	100	No change
The above 9 Foreign Countries combined	106†	100	103†	100	A Fall

Note.—Observe the large and increased proportion of Imports to Exports in the United Kingdom (*) as compared with the small and decreased proportion of Imports to Exports for the nine foreign countries combined (†).

Table 204 shows the percentage proportion of special imports to special exports during 1880-1889 and during 1900-1909.

In the United Kingdom this percentage proportion rose from 144 per cent. to 152 per cent.

No other country comes near to the United Kingdom with regard to the proportion of special imports to special exports. Italy has the highest rate of the nine foreign countries: 136 per cent. during 1900-1909.

But Italy and all the other foreign countries in Table 204 are far below the United Kingdom in the proportion of special imports to special exports; and not only is this proportion much lower than our proportion, but it has fallen in the United States, France, Holland, Russia.

Taking the nine foreign countries as one whole, Table 204 shows that during 1880-1889 these countries had £106 of special imports to every £100 of special exports; and that during 1900-1909 the proportion was £103 of special imports to every £100 of special exports, our rate being £144 of special imports per £100 of special exports during 1880-1889, and £152 per £100 during 1900-1909. Here again is a notable contrast between the United Kingdom and the nine other principal trading nations.

Table 205 is a complete summary of preceding tables. It shows the full course of trade, and it relates to the nine foreign countries combined, the results being shown for each decade, not merely for the first and the last decade.

In Table 205 we see a large and continuous rise in special imports; from 808 millions yearly during 1880-1889 to 1389 millions yearly during 1900-1909: an increase of 581 million £ yearly, or of 5810 million £ during the whole decade 1900-1909.

The rise in special exports was also large and continuous; from 759 million £ yearly during 1880-1889 to 1346 million £ yearly during 1900-1909: an increase of 5870 million £ during the whole decade 1900-1909—a larger increase than the increase in special imports just stated.

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The proportion of special imports to special exports for these nine foreign countries, Table 205, was nearly constant at £107 of imports per £100 of exports up to the decade 1888-1897, and during the later decades of Table 205 this proportion fell to £103 of special imports per £100 of special exports during 1900-1909.

TABLE 205.—THE NINE FOREIGN COUNTRIES COMBINED, 1880-1909: A SUMMARY OF TABLES 189-190, 193-194, AND 197-201 *Yearly Averages during each Decade.*

Decade.	Special Imports.	Special Exports.	Percentage proportion of A to B.	
	A.	B.	Special Imports.	Special Exports.
	Million £	Million £.	Per cent.	Per cent
1880—1889	808	759	106	100
1881—1890	818	771	106	100
1882—1891	832	779	107	100
1883—1892	836	784	107	100
1884—1893	840	785	107	100
1885—1894	845	790	107	100
1886—1895	859	801	107	100
1887—1896	876	817	107	100
1888—1897	894	837	107	100
1889—1898	913	859	106	100
1890—1899	934	884	105	100
1891—1900	958	914	105	100
1892—1901	976	944	103	100
1893—1902	1004	979	102	100
1894—1903	1041	1024	101	100
1895—1904	1083	1073	101	100
1896—1905	1133	1127	101	100
1897—1906	1195	1189	101	100
1898—1907	1267	1251	101	100
1899—1908	1325	1300	102	100
1900—1909	1389	1346	103	100

* Compare these results with those for the United Kingdom in Table 188.

This result is yet another broadly based indication of the radical difference between the course of trade in foreign countries and the course of trade in the United Kingdom. The thing alleged by many persons in these islands to be the measure of our prosperity in trade—an increasing excess of

imports—is being more and more neglected by those foreign countries who are our rivals. If our trade policy be right, theirs must be wrong; for the very strongly marked contrasts herein shown are of no accidental or transitory nature, they point conclusively to entirely different trade tendencies and trade results.

Table 206 compares the United Kingdom with the nine foreign countries combined, as regards the rate of growth of special imports and of special exports.

Two important features of commerce are clearly disclosed. One is that the special imports of foreign countries have advanced considerably more than the special imports of the United Kingdom (a fact not generally known), and the other feature is that the special exports of foreign countries have advanced much more than the special exports of the United Kingdom. In other words, the whole foreign commerce of foreign countries is considerably more progressive than the foreign commerce of the United Kingdom. And these results come out not only in Table 206, but also in preceding tables, which show the trade of each country separately, in millions sterling.

Our policy of “fighting hostile tariffs by free imports” has not enabled us to keep pace with the progress made by foreign countries, either as regards import trade or export trade. And we are brought face to face with the question: Which is to be our guide in action? Economic theory, or the investigation of economic fact?

Look at the results in Table 207.

Here we see the yearly lead in special imports and in special exports held by the nine foreign countries combined over the United Kingdom.

It is often alleged, without any investigation of fact, that a policy of protection in foreign commerce must attenuate the foreign commerce of a nation working by protection. This is an economic theory that has been prominently used for the purpose of inducing our shipping industry to support

TABLE 206.—TWO COMPARISONS BETWEEN THE UNITED KINGDOM AND THE NINE FOREIGN COUNTRIES COMBINED, WITH REGARD TO THE GROWTH OF SPECIAL IMPORTS AND OF SPECIAL EXPORTS RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*

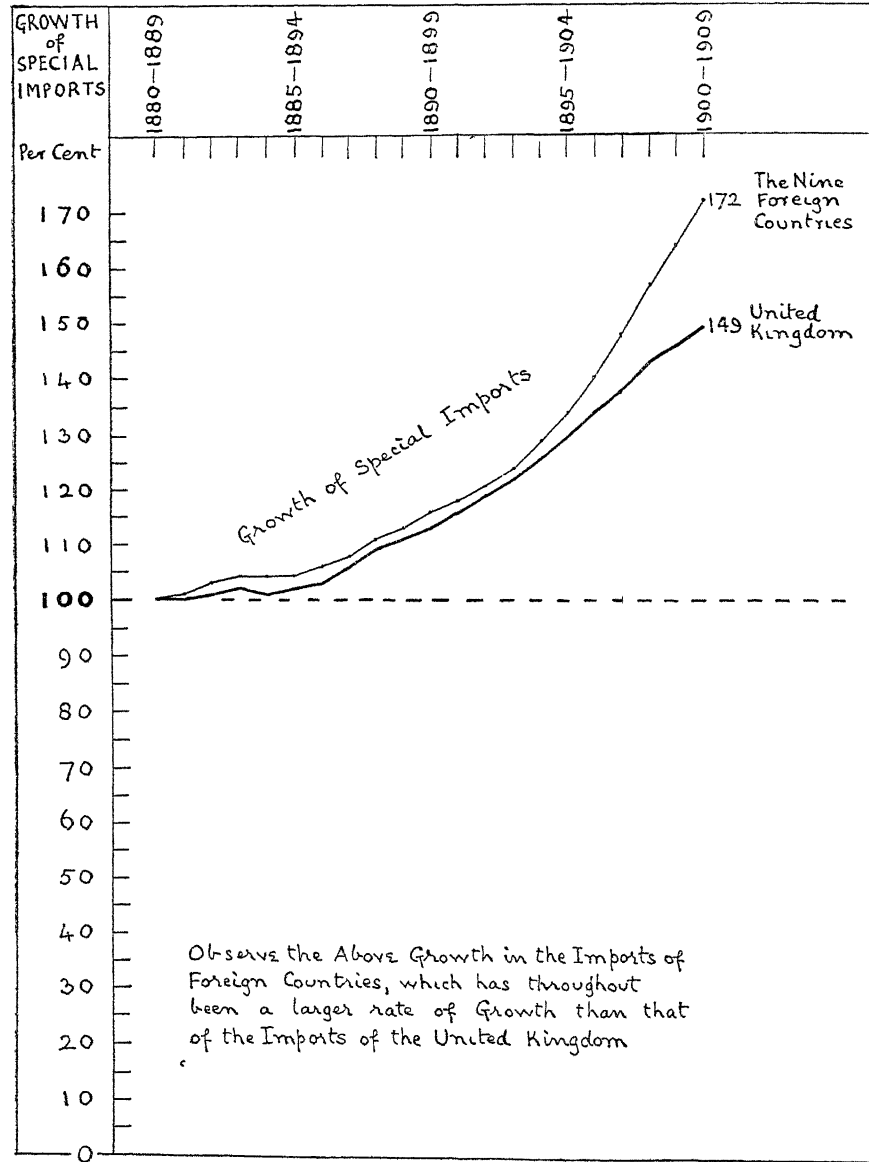
Decade.	Growth of Special Imports. (Beginning at 100.)		Growth of Special Exports. (Beginning at 100.)	
	United Kingdom.	The Nine Foreign Countries Combined.	United Kingdom.	The Nine Foreign Countries Combined.
	<i>Table 188.</i>	<i>Table 205.</i>	<i>Table 196.</i>	<i>Table 205.</i>
	Per cent	Per cent	Per cent.	Per cent
1880—1889	100	100	100	100
1881—1890	100	101	102	101
1882—1891	101	103	102	102
1883—1892	102	104	102	103
1884—1893	101	104	101	103
1885—1894	102	104	100	104
1886—1895	103	106	101	105
1887—1896	106	108	102	108
1888—1897	109	111	102	110
1889—1898	111	113	102	113
1890—1899	113	116	103	116
1891—1900	116	118	103	120
1892—1901	119	121	104	124
1893—1902	122	124	107	129
1894—1903	126	129	110	135
1895—1904	130	134	113	141
1896—1905	134	140	117	148
1897—1906	138	148	123	157
1898—1907	143	157	131	165
1899—1908	146	164	137	171
1900—1909	149	172	142	177
1901—1910	153	...	148	..

* Excluding ships.

Observe that the Nine Foreign Countries exceeded the United Kingdom in the growth of their imports as well as in the growth of their exports. This is an important feature of international trade which shows that both imports and exports expand more under the trade policy of the Nine Foreign Countries than under the trade policy of the United Kingdom. In Foreign Countries the growth was large in Imports and in Exports. In the United Kingdom the growth in Imports was not so large as in Foreign Countries, and the growth in Exports was much smaller than in Foreign Countries. These facts are not generally known. The common opinion, not based upon actual investigation of fact, is that the Tariffs of foreign countries cause their imports to be less progressive than the imports of the United Kingdom.

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DIAGRAM LXXVII—SEE TABLE 206. A COMPARISON BETWEEN THE UNITED KINGDOM AND THE NINE FOREIGN COUNTRIES COMBINED, WITH REGARD TO THE GROWTH OF SPECIAL IMPORTS, 1880-1909. Yearly Averages during each Decade.

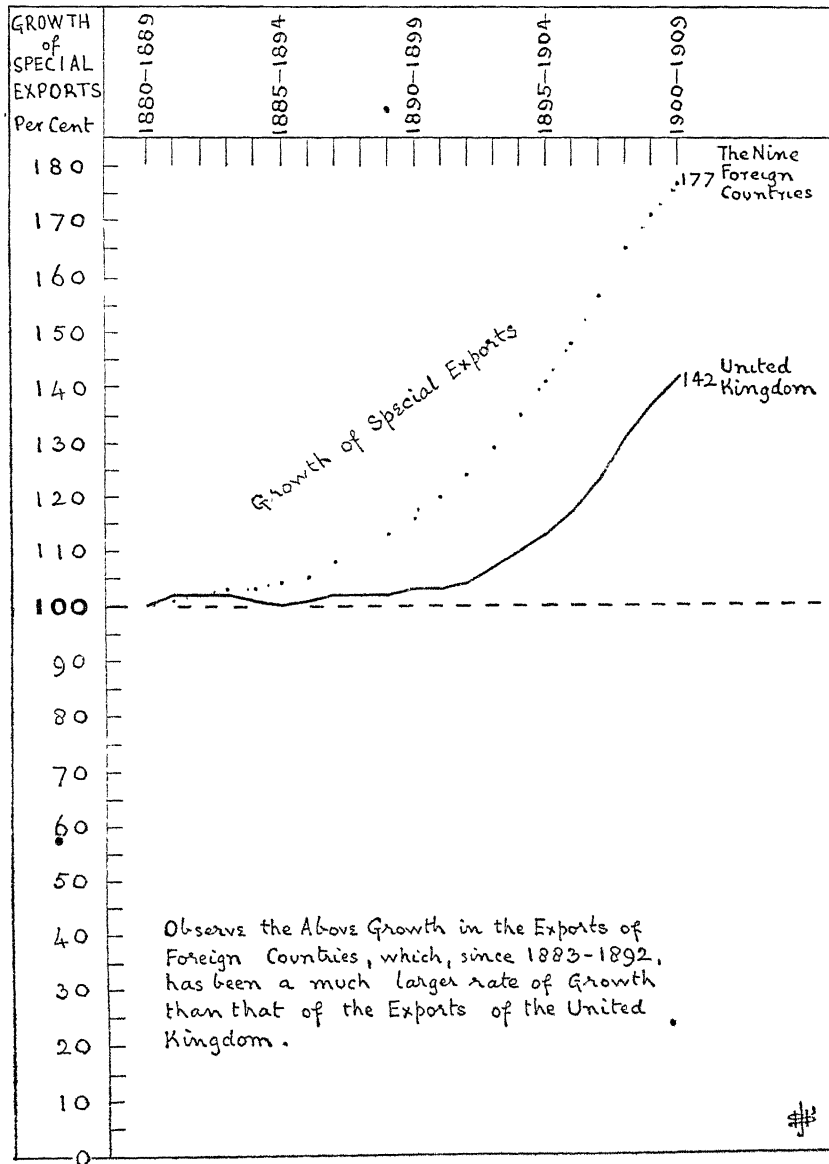


Keep the base-line 0 in sight.

Example.—During the period observed, 1880-1909, the Special Imports of the United Kingdom increased by 49 per cent., and the Special Imports of the Nine Foreign Countries combined increased by 72 per cent.

Observe that throughout, the Special Imports of the Nine Foreign Countries increased at a faster rate than the Special Imports of the United Kingdom. For the actual increases, see Tables 188 and 205.

DIAGRAM LXXVIII.—SEE TABLE 206 A COMPARISON BETWEEN THE UNITED KINGDOM AND THE NINE FOREIGN COUNTRIES COMBINED, WITH REGARD TO THE GROWTH OF SPECIAL EXPORTS, 1880-1909. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—During the period observed, 1880-1909, the Special Exports of the United Kingdom increased by 42 per cent., and the Special Exports of the Nine Foreign Countries increased by 77 per cent. For the actual increases, see Tables 188 and 205.

Although the above exports of the United Kingdom include the large increase in exports of coal, we see that during the greater part of the period the growth was trivial.

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the present trade policy of the United Kingdom. It is alleged that the abandonment of our existing policy called

TABLE 207. — THE UNITED KINGDOM COMPARED WITH THE NINE FOREIGN COUNTRIES COMBINED, WITH REGARD TO SPECIAL IMPORTS AND SPECIAL EXPORTS RESPECTIVELY, 1880-1909. *Yearly Averages during each Decade.*

Decade.	Special Imports.			Special Exports.		
	United Kingdom.	The Nine Foreign Countries Combined.	Lead of B over A.	United Kingdom.	The Nine Foreign Countries Combined.	Lead of E over D.
	<i>Table 188.</i>	<i>Table 205.</i>		<i>Table 188.</i>	<i>Table 205.</i>	
	A.	B.	C.	D.	E.	F.
	Million £.	Million £.	Million £	Million £.	Million £	Million £
1880—1889	331	808	477	230	759	529
1881—1890	332	818	486	234	771	537
1882—1891	336	832	496	236	779	543
1883—1892	337	836	499	234	784	550
1884—1893	336	840	504	232	785	553
1885—1894	338	845	507	230	790	560
1886—1895	342	859	517	232	801	569
1887—1896	352	876	524	234	817	583
1888—1897	360	894	534	236	837	601
1889—1898	369	913	544	235	859	624
1890—1899	375	934	559	236	884	648
1891—1900	385	958	573	238	914	676
1892—1901	393	976	583	240	944	704
1893—1902	404	1004	600	245	979	734
1894—1903	416	1041	625	252	1024	772
1895—1904	429	1083	654	260	1073	813
1896—1905	442	1133	691	270	1127	857
1897—1906	456	1195	739	283	1189	906
1898—1907	472	1267	795	301	1251	950
1899—1908	483	1325	842	314	1300	986
1900—1909	494	1389	895	326	1346	1020

Nota.—During the first decade, the Lead in Special Imports of the Nine Foreign Countries over the United Kingdom was 477 million £ yearly; during the last decade, 895 million £ yearly.

During the first decade, the Lead in Special Exports of the Nine Foreign Countries over the United Kingdom was 529 million £ yearly; during the last decade, 1020 million £ yearly.

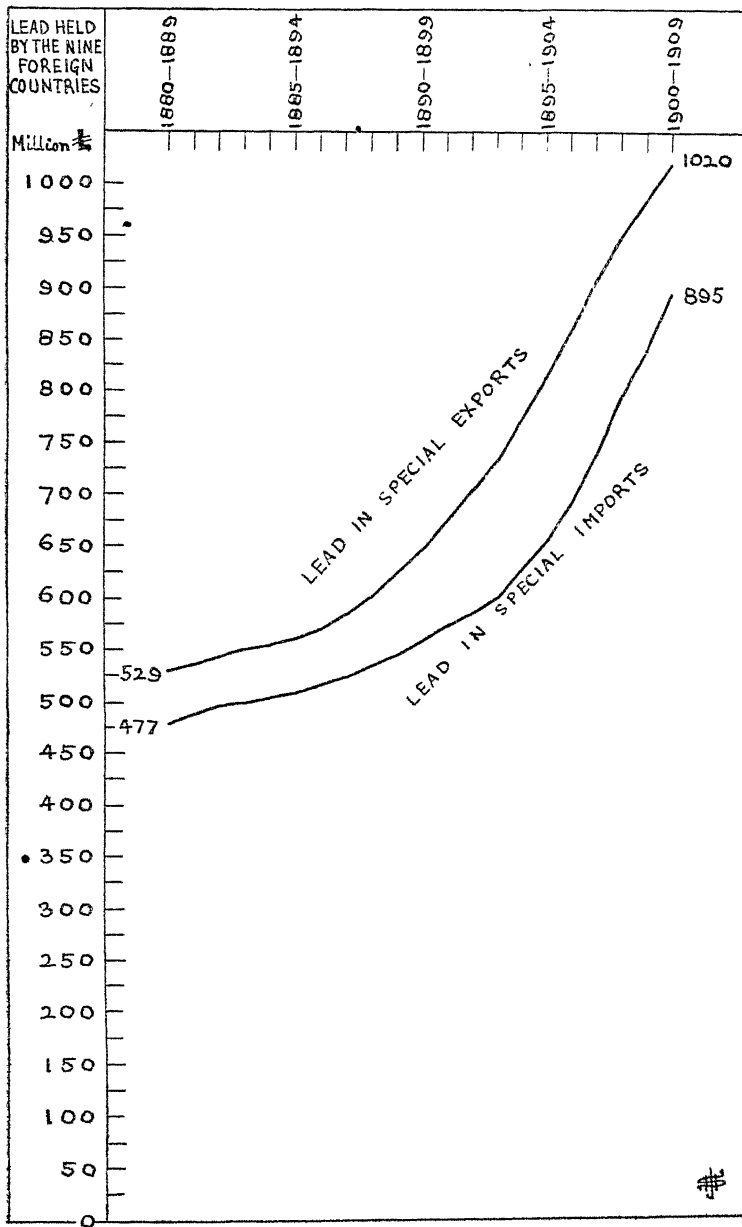
These great increases in columns C and F above, wholly disprove the popular fallacy that a policy of protection attenuates the foreign commerce of a nation working by the policy of protection.

Free Trade would greatly diminish the sea-carrying trade of the United Kingdom.

The investigated facts, whose condensed results are shown

INCREASE IN FOREIGN COUNTRIES' LEAD 455

DIAGRAM LXXIX.—SEE TABLE 207: SHOWING THE GREAT INCREASE IN THE LEAD HELD BY THE NINE FOREIGN COUNTRIES COMBINED OVER THE UNITED KINGDOM, AS REGARDS SPECIAL IMPORTS AND SPECIAL EXPORTS, 1880-1909. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—During the first decade, the Nine Foreign Countries had a yearly lead over the United Kingdom, in Special Exports, of 529 million £; during the last decade, this lead had increased to 1020 million £ yearly.

in Table 207, wholly deprive this economic theory of validity. If this economic theory were true, the results in columns C and F of Table 207 would show, not the vast increase they do show, but they would disclose either stagnation or decline in the lead held by the nine foreign countries over the United Kingdom. This enormous increase in the lead held by the nine foreign countries over the United Kingdom is another weighty piece of evidence of the folly of being guided in economic action, in economic policy, by merely brain-spun theory in place of by the full investigation of economic fact.

In connection with Table 207 we have to bear in mind that, as is shown in Table 3, Chapter I., we are predominantly a commercial nation, having a very small proportion of our population engaged in the most important productive home industry, agriculture. Moreover, we are almost alone among nations in having an army whose duty is to defend the men of this country as well as the women and children. Other nations, our trade rivals, are not only able to let a large proportion of their populations work at agriculture, the most vitally important home industry of any nation, but in addition, their men are trained to defend their country and themselves in case of need. Despite these facts, which are indubitably in favour of foreign nations and not in favour of the United Kingdom, despite the fact that we are more largely a commercial nation than our trade rivals, the latter have been able to make the great advance in their foreign commerce which is plainly seen in Table 207. An advance that greatly exceeds our progress in foreign commerce. And, as preceding Tables have shown, this advance is not only a much greater actual increase, but it is also a much greater increase relatively to volume of trade done.

The striking contrasts that have come out of this international comparison of trade, broadly based and covering a long period, ought to make us pause—to make us stop to think whether we are surely right in working by a trade policy that is so enormously and radically different in its

results from the results appertaining to the trade policy of these nine principal foreign trading nations.

For what is the salient fact that disengages itself from this international comparison? Is it not that we of the United Kingdom put in the place of first importance an unchecked and increasing consumption, relegating production to the second place, while these nine foreign nations (and many more not now observed) put production in the place of first importance?

We have seen that the special imports of these foreign countries are more progressive than our special imports. And we have also seen that these foreign countries are much more progressive than the United Kingdom as regards special exports. Their progressive export trade has not weakened their import trade, but has advanced the latter. And their taxation of imports has been accompanied by much more progress in imports and in exports than has occurred in the United Kingdom, despite our large advance in the recent "record" years. Another salient difference between the United Kingdom and these foreign countries is in the great excess* of our special imports over our special exports, as compared with the small excess of imports over exports in these foreign countries. Their foreign trade is more progressive than our foreign trade. But they maintain a much higher proportion of exports to imports than we maintain. And taxation of imports gives to foreign countries a power of selection as to class of goods imported that we do not possess. It gives to them the power of a Choice of Imports. And Choice of Imports enables a country to develop its home production and to promote the employment of its people.

Lacking this power of choice, a country's internal industries are exposed without defence to any attack on them a rival nation may choose to make.

* Reasons are stated in Chapter V. why it is rash to assume that our excess of imports is wholly paid for by our exports, visible and invisible. And Table 103 shows conclusively that our imports of merchandise are not paid for by an equal amount of British-labour-employing exports of merchandise.

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The following international comparison throws light upon the matter of a Choice of Imports. Tables 207A and 207B show the composition of the Special Imports and of the Special Exports of twelve countries. Japan and Switzerland are here added to the ten countries hitherto compared.

These imports and exports are classified in four groups.—

- A. Food, etc.
- B. Raw Materials.
- C. Manufactured Articles.
- D. Miscellaneous.

Looking at Table 207A, Special Imports, and at Class A, Food Imports, we see that the United Kingdom's Food Imports amount to £45 per £100 of all special imports. In this feature of trade we are far ahead of other countries. The average for the eleven foreign countries in Table 207A is £22 of Food Imports per £100 of their total special imports. This result confirms that shown in Table 3, Chapter I., relating to the small proportion of our population engaged in agriculture, and it constitutes an injurious feature of our foreign commerce which is a constant danger to this country. This large importation of food is tending to put us under the thumb of foreign food-financiers, thus increasing the cost of the food we have to eat. That is the danger in peace-time. The danger in war-time caused by our great dependence upon foreign food is that our food supplies might be prevented from reaching us, and in order to protect our numerous food sea-routes we should have to use a large part of our Navy for this purpose, thus preventing our Navy from doing its primary duty in war, which is to attack our enemy's fleet. In war the winning policy is attack, not defence; but our great dependence upon foreign food would compel us to adopt a policy of defending our food supplies, the alternative being starvation.

Looking at column B of Table 207A, imports of raw material, we see that our imports of raw material, £31 per

£100 of our imports, are lower than those of any of the eleven foreign countries. The average for the eleven foreign countries is £53 of raw materials per £100 of their imports. This is another unsatisfactory feature of our foreign commerce, for it points to a relatively lower level of home production

TABLE 207A.—SHOWING FOR TWELVE COUNTRIES, THE COMPOSITION OF THEIR SPECIAL IMPORTS.

Country.	Description of Imports per £100 of Special Imports.				
	Food, etc.	Raw Materials.	Manufactured Articles.	Miscellaneous.	Total.
	A.	B.	C.	D.	
	Per £100	Per £100.	Per £100.	Per £100	Per £100
United Kingdom.	45	*31	23	1	100
Germany . . .	30	*55	15	...	100
United States . .	25	*51	23	1	100
France . . .	15	66	19	..	100
Holland . . .	31	46	20	3	100
Belgium . . .	28	*52	20	...	100
Austria-Hungary	8†	*66	†26	.	100
Russia . . .	24	*48	28	.	100
Italy . . .	21	*55	24	...	100
Spain . . .	17	50	33	.	100
Japan‡ . . .	13	*61	25	1	100
Switzerland . .	29	37	34	.	100
Mean of the above Percentages for the 11 Foreign Countries.	22	53	24	(say) 1	100

Based upon Cd. 5446, pages 89-101.

* These imports of Raw Materials include Partly Manufactured Goods for further use in Manufactures.

† Austria-Hungary's Food Imports exclude Manufactured Food Imports, which are included in Manufactured Articles.

‡ These are General Imports.

This table relates to the most recent year for which the facts are stated in Cd. 5446, usually 1909. Owing to lack of data, or to changes of classification, the facts cannot be treated by the method of yearly averages during each decade.

in the United Kingdom than in foreign countries. See also Chapter I. One main purpose of Tariff Reform is to alter the character of our import trade, not to reduce the volume of our import trade, so as to increase our imports of raw material for use in our home manufactures. Column B of

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Table 207A shows that foreign countries working by a policy of Protection have a much larger proportion of raw materials in their import trade than the United Kingdom has. This result is caused by the trade policy of foreign countries, which gives to them a Choice of Imports.

In column C of Table 207A, imports of manufactured articles, we import £23 per £100 of our imports as compared with £24 per £100, the average for the eleven foreign countries. As our home manufacturing industries were established long before those of foreign nations, and as our policy called Free Trade was originated upon the assumption that foreign nations were to supply us with raw materials, while we were to supply foreign nations with manufactured goods, it is not satisfactory to find that we are practically in the same position with foreign nations as regards the proportion of manufactured goods per £100 of our imports.

Foreign countries that have a smaller proportion of manufactured goods in their imports than we have are Germany, France, Holland, Belgium. The United States have the same proportion as we have, namely, £23 per £100. The foreign countries that have a larger proportion of manufactured goods in their imports than we have are Austria-Hungary, Russia, Italy, Spain, Japan, Switzerland; and most of these six countries are not developed in manufacturing processes to anything like the extent to which the United Kingdom is developed.

Further, we have the consideration that the great volume of our import trade causes a proportion of 23 per cent. of it, made up of manufactured goods, to be a much larger actual amount than, for instance, 23 per cent. of imports into the United States, whose special imports are much smaller than ours. See Tables 188 and 190. Imports into the United States are not swollen, as our imports are, by huge imports of food.

Thus a consideration of Table 207A, relating to the composition of the special imports into the United Kingdom

and into foreign countries, leaves the United Kingdom at a qualitative disadvantage—it has not the power of a Choice of Imports.

Table 207B shows the composition of the special exports from the United Kingdom and from eleven foreign countries.

TABLE 207B.—SHOWING FOR TWELVE COUNTRIES THE COMPOSITION OF THEIR SPECIAL EXPORTS.

Country.	Description of Exports per £100 of Special Exports.				
	Food, etc.	Raw Materials.	Manu- factured Articles.	Mis- cellaneous.	Total.
	A.	B.	C.	D.	
	Per £100.	Per £100	Per £100	Per £100.	Per £100
United Kingdom.	6	*13	79	2	100
Germany . . .	10	*26	64	...	100
United States . .	27	*46	27	..	100
France . . .	14	30	56		100
Holland . . .	36	41	19	4	100
Belgium . . .	15	*45	40		100
Austria-Hungary.	†11	*44	†45		100
Russia . . .	57	*38	5		100
Italy . . .	27	*48	25	.	100
Spain . . .	35	40	25	.	100
Japan‡ . . .	12	*57	30	1	100
Switzerland . .	13	12	75	..	100
Mean of the above Percentages for the 11 Foreign Countries.	23	39	37	(say) 1	100

Based upon Cd. 5446, pages 89-101.

* These Exports of Raw Materials include Partly Manufactured Goods for further use in Manufactures.

† Austria-Hungary's Food Exports exclude Manufactured Food Exports, which are included in Manufactured Articles.

‡ These are General Exports.

¶ This table relates to the most recent year for which the facts are stated in Cd. 5446, usually 1909. Owing to lack of data, or to changes of classifications, the facts cannot be treated by the method of yearly averages during each decade.

In column A, exports of Food, etc., the United Kingdom has a very low place. These exports are £6 per £100 as compared with £23 per £100, the average for the eleven foreign countries. A similar result is seen in column B, exports of Raw Materials. Here the proportion for the

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United Kingdom is £13 per £100 as compared with £39 per £100 for the eleven foreign countries.

In column C of Table 207B, exports of Manufactured Articles, the United Kingdom has a higher proportion than that of any of the foreign countries, namely, £79 per £100, the average for the eleven foreign countries being £37 per £100. The foreign countries nearest to us are Switzerland, £75 per £100, and Germany, £64 per £100. In this connection we have to bear in mind that a considerable part of our special exports of Manufactured Goods is made up of foreign manufactured goods previously imported by us. These goods are slightly altered, or repacked, or added to, and are then exported by us under the name of British manufactured goods, although they are not made in this country, and they contain little if any British labour. This is an important qualification of our special exports of manufactured goods that is not adequately recognised. Many of the foreign countries in Table 207B are not notably manufacturing countries for export trade in the sense that the United Kingdom is a manufacturing country. They employ their populations much more largely in agriculture than we do, or in other productive processes for their home trade. Owing to the exposure of the home trade of the United Kingdom to the unlimited and unfair competition of foreign manufacturing nations, we are under a more urgent necessity to export manufactured goods than is any other country. It should be stated that in column C of Table 207B the proportion of Manufactured Articles exported by the United States excludes a considerable quantity of exported "Manufactures for further use in manufactures." The latter are included in column B of Table 207B. But the United States have not a great export trade in manufactured goods. Their manufacturers have to provide for a home population of over 93,000,000 persons, twice the population of the United Kingdom, and thus the exported manufactures of the United States are actually and relatively smaller than those of the

United Kingdom. And as the United States protect their manufacturers and their workmen from unfair competition in their home market, they have ready sales at home and their workmen a high wage. Moreover, the United States are largely self-feeding, while we depend upon foreign nations for our food.

CHAPTER XIV

THE LEADING ARTICLES OF EXPORT, ETC.*

IN Chapters III. and VI. the special exports of the United Kingdom have been distinguished with regard to coal, machinery, manufactured goods, exports other than coal, etc.

Our special export trade will now be examined in more detail, in order to ascertain the course of trade in each of the leading articles of special export.

As each article will be dealt with during 1880-1910 by the method of yearly averages during each successive decade, and as both value and quantity will be shown, it is not practicable to investigate every article of our special export trade.

To determine the articles that should be separately examined, we may be guided by the Board of Trade classification of our special export trade, condensed thus :—

Classes of Special Export Trade.	Value in 1910.	Per cent. of Total.
CLASS	Million £	Per cent.
I. Food, Drink, and Tobacco	26·1	6·0
II. Raw Materials and Articles mainly Unmanufactured	53·3	12·4
III. Articles wholly or mainly Manufactured	343·0	79·7
IV. Miscellaneous and Unspecified	8·1	1·9
Total Special Exports	430·5	100·0

* Based upon the 57th and earlier Statistical Abstracts for the United Kingdom; Blue Book Cd. 2337; the current Annual Statement of the Trade of the United Kingdom (Cd. 5159), and upon earlier volumes; Accounts relating to Trade and Navigation, December 1910.

Class III. is by far the most important of these four classes, not only by reason of volume of trade, which is nearly 80 per cent. of the total special export trade, but also because Class III. relates to "Articles wholly or mainly Manufactured."

Classes I. and IV. are relatively unimportant, and coal is the most important item in Class II. In the year 1910 coal exports were 71 per cent. of the total exports in Class II.

Thus Class III. is the part of our special export trade that should be separately examined with regard to the principal items that make up Class III.

The principal items in Class III. that will now be separately examined during 1880-1910 may be summarised thus :—

TABLE 208.—SPECIAL EXPORTS IN CLASS III. (ARTICLES WHOLLY OR MAINLY MANUFACTURED) DURING THE WHOLE OF THE PERIOD 1880-1910

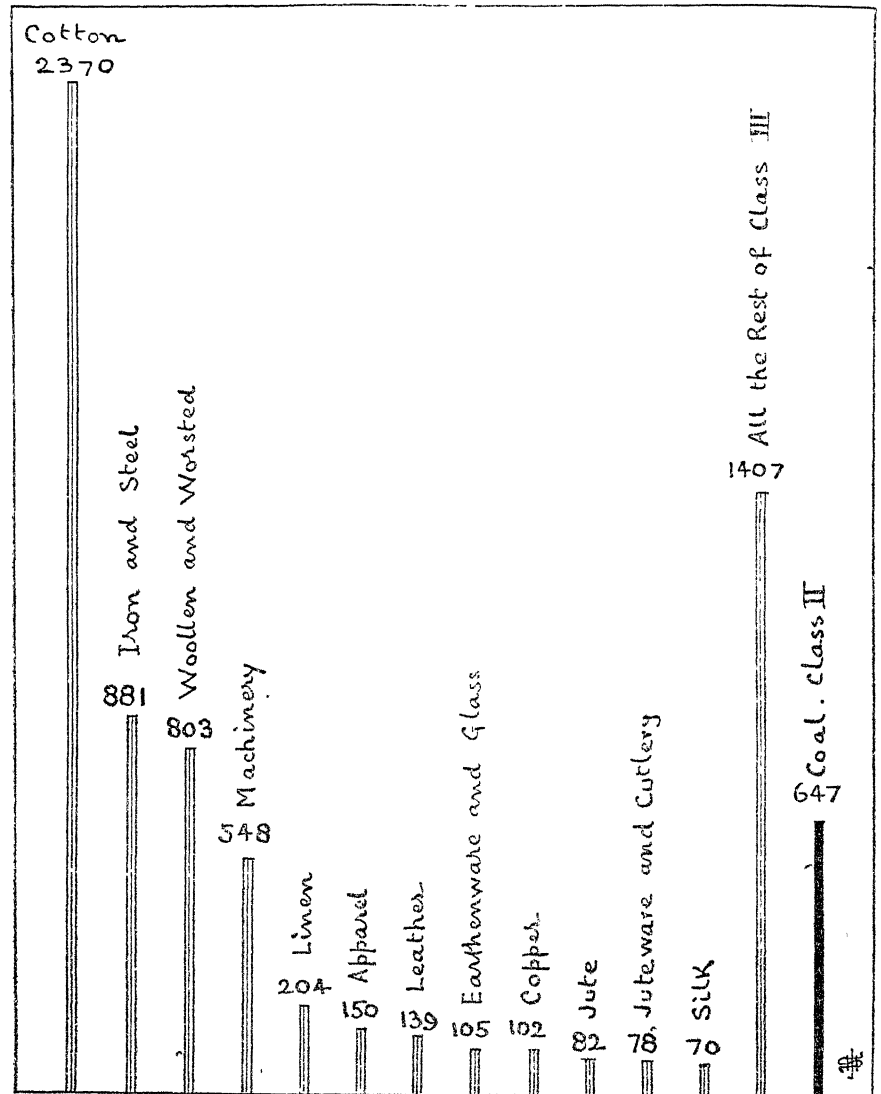
Special Export Trade. Class III.	Value. 1880-1910.	Percentage of the Total in Class III.
	Million £	Per cent
1. Cotton Manufactures and Yarn	2370	34·1
2. Iron and Steel, and Manufactures thereof	881	12·7
3. Woollen and Worsted Manufactures and Yarn	803	11·6
4. Machinery	548	7·9
5. Linen Manufactures and Yarn	204	2·9
6. Apparel	150	2·2
7. Leather and Manufactures thereof	139	2·0
8. Earthenware and Glass	105	1·5
9. Copper and Manufactures thereof	102	1·5
10. Jute Manufactures and Yarn	82	1·2
11. Hardware and Cutlery	78	1·1
12. Silk Manufactures and Yarn	70	1·0
Total of the above 12 Leading Articles in Class III.	5532	79·7
All the rest of Class III.*	1407	20·3
Total of Class III.†	6939	100·0
And Coal, Class II.	647	..

* This includes a large group of "Chemicals" which cannot be stated before the year 1891, but which is shown separately in Table 234. In export value at the present time, chemicals rank after machinery.

† Excluding ships.

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DIAGRAM LXXX.—SEE TABLE 208. UNITED KINGDOM: SHOWING THE VALUE OF SPECIAL EXPORTS IN CLASS III. (MANUFACTURED GOODS) DURING THE WHOLE PERIOD 1880-1910; ALSO COAL, CLASS II. *Stated in Millions of £.*



Example.—The Value of Special Exports of Cotton Manufactures and Yarn from the United Kingdom during the whole period 1880-1910 was 2370 million £. This diagram enables the relative importance of each principal article to be clearly seen, and, it should be looked at when, in a later part of this chapter, the course of trade in each article is being observed.

The above statement shows that the twelve articles in Class III. which will be separately examined with regard to value and quantity of exports during 1880-1910, cover nearly 80 per cent. of all special exports in Class III.: a large proportion of the whole. And in addition, as stated in the note to Table 208, the large group "Chemicals" will also be separately examined.

We may observe that the three leading items, cotton, iron and steel, wool, cover no less than 58·4 per cent. of the total exports in Class III.; and that of these three items, cotton is by far the largest, covering no less than 34·1 per cent. of all special exports in Class III. during 1880-1910.

It is useful to have these degrees of relative importance stated, for when we come to see the course of trade in each of these items, some of which have risen and some have fallen, we shall want to note the relative importance to our commerce of this or that item which has fallen or risen.

The nine leading items, from cotton to copper inclusive, each of which was exported during 1880-1910 to the amount of 100 million £ or more, cover no less than 76·4 per cent. of the total exports in Class III.: more than three-quarters of the whole.

And we may note that exports of coal, Class II., were 647 million £ during 1880-1910, thus placing coal between wool and machinery, Class III., in the order of volume of export trade, judged by value. During this period coal exports have been rapidly catching up and passing various manufactured exports in Class III., and coal comes fourth in order of importance among our special exports during 1880-1910, if for a moment we omit the distinction between Class III. and Class II. of our special export trade. In the year 1910, our Coal exports ranked only third to Cotton and to Iron and Steel. Coal exports were above Wool and above Machinery.

Before we look at the course of trade in each of the principal special exports stated in Table 208, it is desirable to make one broad distinction as regards Class III., Articles

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wholly or mainly Manufactured, namely, the distinction between our special exports of Machinery, Class III., which have largely increased, and all our other special exports in Class III. See Tables 209 and 210.

TABLE 209.—UNITED KINGDOM: SPECIAL EXPORTS IN CLASS III.*
(ARTICLES WHOLLY OR MAINLY MANUFACTURED), DISTINGUISHING
MACHINERY, AND ALL OF CLASS III OTHER THAN MACHINERY,
1880-1910 *Yearly Averages during each Decade*

Decade.	Class III	Class III.	Class III.	Population Test. Value per 100 of our Population		
	Machinery.†	All Articles Other than Machinery. (C - A)	Total (A + B.)	Class III.	Class III.	Class III.
	Table 66.	(C - A)	Table 104.	Table 67.	All Articles Other than Machinery. (F - D)	Total. (D + E.)
	A.	B.	C.	D.	E.	F.
	Million £	Million £.	Million £	£	£	£
1880—1889	11·9	189·7	201·6	33	529	562
1881—1890	12·6	191·9	204·5	35	530	565
1882—1891	13·2	191·7	204·9	36	526	562
1883—1892	13·4	189·5	202·9	36	516	552
1884—1893	13·4	187·0	200·4	36	505	541
1885—1894	13·5	184·6	198·1	36	494	530
1886—1895	14·0	184·7	198·7	37	490	527
1887—1896	14·6	186·1	200·7	38	489	527
1888—1897	15·2	185·8	201·0	40	484	524
1889—1898	15·7	184·4	200·1	41	476	517
1890—1899	16·1	183·4	199·5	41	469	510
1891—1900	16·4	182·5	198·9	42	462	504
1892—1901	16·6	182·6	199·2	42	458	500
1893—1902	17·1	184·9	202·0	42	460	502
1894—1903	17·7	188·7	206·4	44	464	508
1895—1904	18·4	193·8	212·2	45	473	518
1896—1905	19·2	200·1	219·3	46	484	530
1897—1906	20·2	208·2	228·4	48	499	547
1898—1907	21·7	220·3	242·0	51	522	573
1899—1908	23·0	228·2	251·2	54	535	589
1900—1909	23·8	235·6	259·4	55	548	603
1901—1910	24·8	246·0	270·8	57	566	623

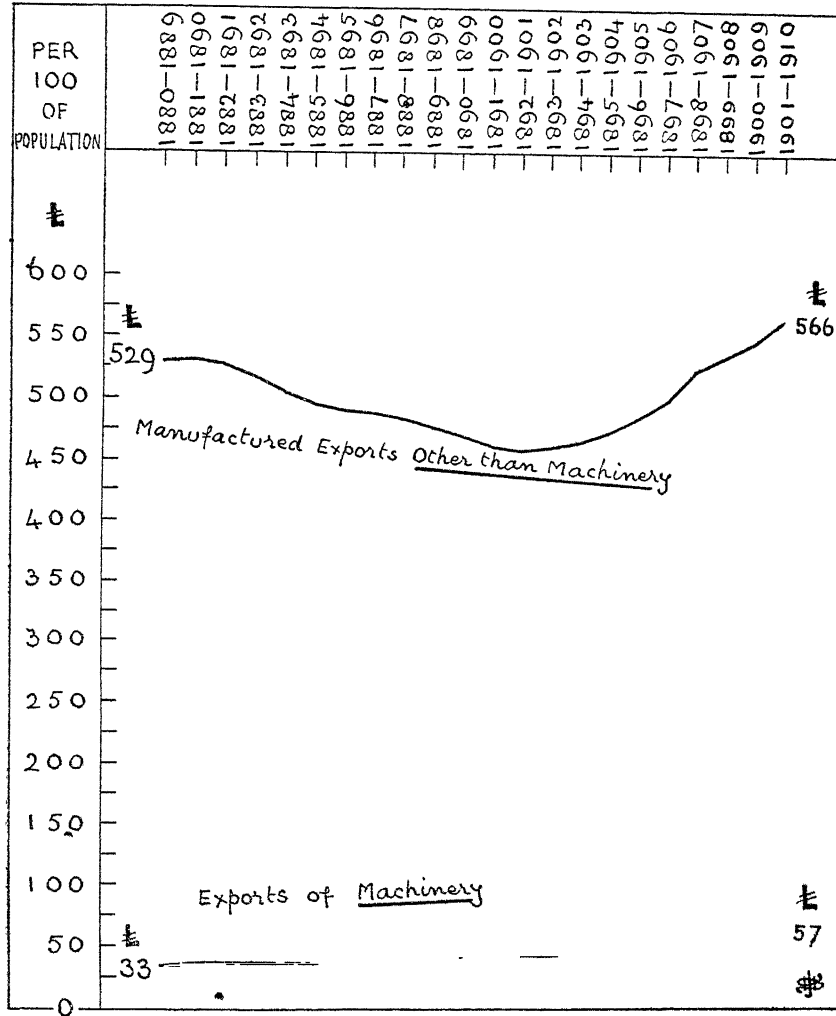
* Excluding ships.

† Including Sewing Machines.

Table 209 brings out clearly a most important feature of our special export trade in Class III., Manufactured Goods. Machinery (column A) has largely and constantly increased, not only in actual value, but also per 100 of our population

VALUE PER 100 OF OUR POPULATION 469

DIAGRAM LXXXI—SEE TABLE 209 UNITED KINGDOM SHOWING THE VALUE, PER 100 OF OUR POPULATION, OF SPECIAL EXPORTS OF MANUFACTURED GOODS OTHER THAN MACHINERY, CLASS III., AND OF SPECIAL EXPORTS OF MACHINERY, CLASS III, RESPECTIVELY, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade All special exports Other than Machinery, in Class III., Manufactured Goods, were worth £529 per 100 of our population; during the last decade, and including all the recent years of “record” trade, the value was £566 per 100. Observe the large intervening Fall, which covered the larger part of the period.

Machinery, an example of vigorous export trade, increased its value from £33 to £57 per 100 of our population, with a continuous Rise.

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(column D). Thus Machinery is an instance of a vigorous and progressive special export article which has fully maintained its place as an employment-provider for our population.

TABLE 210—UNITED KINGDOM. SPECIAL EXPORTS IN CLASS III (ARTICLES WHOLLY OR MAINLY MANUFACTURED), DISTINGUISHING MACHINERY, AND ALL OF CLASS III. OTHER THAN MACHINERY, 1880-1910 *Yearly Averages during each Decade*

PAYING-POWER FOR SPECIAL IMPORTS TEST.

Decade.	All Special Imports. <i>Table 41.</i>	How much per £1000 of A was paid for by		
		Class III Machinery.†	Class III. All Articles Other than Machinery.	Class III. Total (B + C) <i>Table 108.</i>
	A.	B.	C	D.
	Million £	£	£	£
1880—1889	331.1	36	573	609
1881—1890	332.0	38	578	616
1882—1891	335.9	39	571	610
1883—1892	337.1	40	562	602
1884—1893	335.5	40	557	597
1885—1894	337.9	40	546	586
1886—1895	342.3	41	540	581
1887—1896	351.5	42	529	571
1888—1897	360.4	42	516	558
1889—1898	369.0	43	499	542
1890—1899	374.9	43	489	532
1891—1900	385.2	42	474	516
1892—1901	393.3	42	464	506
1893—1902	403.7	42	458	500
1894—1903	416.3	43	453	496
1895—1904	429.4	43	451	494
1896—1905	442.3	44	452	496
1897—1906	456.1	44	456	500
1898—1907	472.4	46	466	512
1899—1908	482.8	47	473	520
1900—1909	494.2	48	477	525
1901—1910	505.6	49	487	536

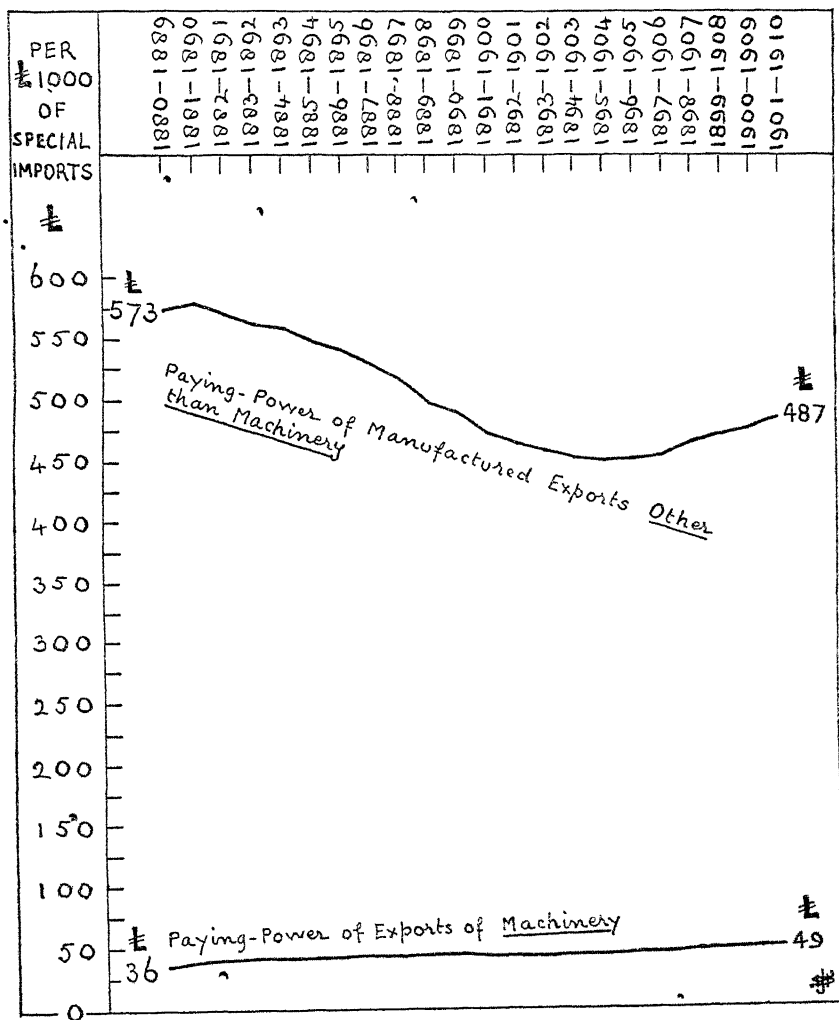
* Excluding ships.

† Including Sewing Machines.

But when in Table 209 we look at Class III., All Articles Other than Machinery, columns B and E, we see a weak condition. The prolonged fall in columns B and E was followed by a short recent rise that has in no way adequately

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DIAGRAM LXXXII.—SEE TABLE 210 UNITED KINGDOM: SHOWING HOW MUCH PER £1000 OF OUR SPECIAL IMPORTS OF ALL KINDS WAS PAID FOR BY OUR SPECIAL EXPORTS OF MANUFACTURED GOODS OTHER THAN MACHINERY, CLASS III., AND BY OUR SPECIAL EXPORTS OF MACHINERY, CLASS III, RESPECTIVELY, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—During the first decade All special exports Other than Machinery, in Class III., Manufactured Goods, paid for £573 per £1000 of our special imports of all kinds; during the last decade, for only £487 per £1000. The last decade includes all the recent years of "record" export trade.

Machinery, an example of vigorous export trade, increased its paying-power from £36 to £49 per £1000 of our special imports of all kinds.

made up for the prolonged fall. Thus the group, All Articles Other than Machinery, in Class III., Manufactured special exports, is an instance of trade that has for a long while been weak. The rise in recent years is a rise from a weak condition; it is not a rise from a normally progressive condition. And it stands out in sharp contrast from our exports of Machinery.

Another useful test is applied in Table 210 to these two groups of our special exports in Class III. The test of ascertaining how much per £1000 of our special imports of all kinds have been paid for by each of the two groups of our special exports of Manufactured goods now being observed.

Column B of Table 210 shows at once that Machinery easily stands this test of its paying-power for our special imports. During the first decade, Machinery paid for £36 per £1000 of our imports for consumption in the United Kingdom, and during the last decade Machinery's paying-power had risen to £49 per £1000 of our special imports of all kinds.

But when we look at the group, All Articles Other than Machinery, in column C of Table 210, we see a very large and prolonged fall in the power of this important section of our special export trade to pay for our special imports. The fall was from £573 per £1000 during 1880-1889 to £451 per £1000 during 1895-1904, with some recovery during the last six periods in column C of Table 210.

This test of paying-power for imports consumed in the United Kingdom, when applied as in Table 210 to our special exports of Manufactured goods, has yielded valuable results. It has also emphasised the vigorous nature of our exports of Machinery, and the weak condition of the group, All our Manufactured Exports Other than Machinery. Unfortunately, it is the group of relatively small value which has been progressive and vigorous, and the group of relatively large value that has been weak and declining.

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We may now proceed to examine the course of special export trade in each of the principal articles in Class III., Manufactured goods, which have been looked at in the two groups set out in Tables 209 and 210.

COTTON MANUFACTURES AND YARN, Tables 211-215:—
Table 211 shows the value of our cotton special exports. The

TABLE 211.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—COTTON *Yearly Averages during each Decade* SEE TABLE 212.

Decade.	Value.	Quantity.			
	Cotton Manufactures and Yarn.	Cotton Piece Goods.*	Cotton Yarn.	Cotton Sewing Thread.	Cotton Stockings and Socks.
	Million £	Million Yards.	Million Lbs	Million Lbs.	Million Pairs
1880—1889	72·9	4675	250	16·5	20·2
1881—1890	72·8	4738	255	17·0	20·3
1882—1891	72·0	4751	254	17·2	19·7
1883—1892	71·0	4803	253	17·3	18·6
1884—1893	69·8	4815	247	17·6	17·6
1885—1894	69·2	4904	244	17·8	16·4
1886—1895	68·8	4970	244	18·7	15·4
1887—1896	68·9	5007	244	19·6	14·2
1888—1897	68·2	4996	244	20·2	13·1
1889—1898	67·5	5013	243	20·7	11·7
1890—1899	67·2	5057	239	22·1	10·7
1891—1900	66·7	5048	229	23·7	9·9
1892—1901	66·9	5093	222	25·0	9·3
1893—1902	67·6	5139	215	26·6	8·7
1894—1903	68·6	5190	209	28·3	8·4
1895—1904	70·3	5218	202	29·0	8·1
1896—1905	73·1	5334	197	29·0	7·8
1897—1906	76·1	5438	193	29·1	7·7
1898—1907	80·8	5589	192	29·6	7·6
1899—1908	83·8	5620	189	29·7	7·7
1900—1909	86·4	5649	189	29·6	7·8
1901—1910	90·0	5747	193	28·6	8·0

* See Table 14 for exports to the Principal Protected Foreign Countries.

quantity of them, with regard to the leading cotton items, is also shown. In cotton, as in some other articles of our special export trade, there are items that are recorded only by value, not by quantity.

During the greater part of 1880-1910 there was a nearly

continuous fall in the value of our cotton exports; and the short rise at the end of Table 211 has not made up for the prolonged fall. If we shut our eyes to this fall, and look merely at the results for the first and for the last decades, there is a rise from 72·9 to 90·0 million £ yearly · a rise that, as we shall see, is wholly inadequate.

Looking at quantity of cotton exports, Table 211, we see a nearly continuous rise in cotton piece goods: from 4675 million yards yearly during 1880-1889 to 5747 million yards yearly during 1901-1910. There has been a large fall in cotton yarn—from 250 million lbs. yearly during 1880-1889 to 193 million lbs. yearly during 1901-1910; a large rise in cotton sewing thread, and a large fall in cotton stockings and socks. The other cotton items are not recorded by quantity.

Unless the cotton items are shown separately, it is not possible to get a well-defined view of our cotton export trade in terms of quantity, such as we can get in terms of value. For in the first place some cotton items are omitted from the list of quantities; and secondly, we cannot convert quantities of piece goods, yarn, sewing thread, stockings and socks, into identical expressions of quantity.

But we must apply to the cotton export trade the test of population and the test of paying-power for our special imports—Table 212. Obviously we do not expect to stand still during 1880-1910—more than a quarter of a century; and just as we apply the population test to our exports as a whole, so must we apply this test to each of the parts of our trade which make up our total export trade; and the paying-power test is also of much importance.

Strangely, and for some reason, or for lack of reason, these necessary tests are rarely if ever applied to the various parts of our trade, although the population test is sometimes officially applied to our trade as a whole.

Looking at Table 212, we see that the value of cotton exports fell largely and continuously, with recovery at the end of Table 212, putting us on the level of the decade 1880-1889.

During 1880-1889 cotton exports were worth to us £203 yearly per 100 of population, and during 1901-1910 they were worth £207 per 100 of our population. And these results include all the recent "boom" years of our foreign commerce.

Coming to quantity, Table 212, and to cotton piece goods, we see little change during the first part of the table, and a fall with recovery since 1887-1896. Relatively to population, we now export almost the same quantity of cotton piece goods that we exported during 1880-1889.

There has been a large fall in exports of quantity of cotton yarn: from 7 lbs. per head of population yearly during 1880-1889 to 4·4 lbs. per head during 1901-1910.

Cotton sewing thread has increased in export much more quickly than our population has increased, and cotton stockings and socks have largely fallen.

Thus Table 212 shows quite plainly that whether we look at value or at quantity of our cotton export trade, this leading article has failed to hold its place throughout nearly all of the period observed. It has entirely failed to do its share in paying for our special imports of merchandise of all descriptions; and cotton, our vastly predominant* export article, has given to us much less help than in former years in paying for our greatly increased imports. This is an important point to consider with regard to our leading articles of special export, and in illustration we have the following results quoted from Table 212.

During 1880-1889 cotton exports paid for £220 per £1000 of our special imports.

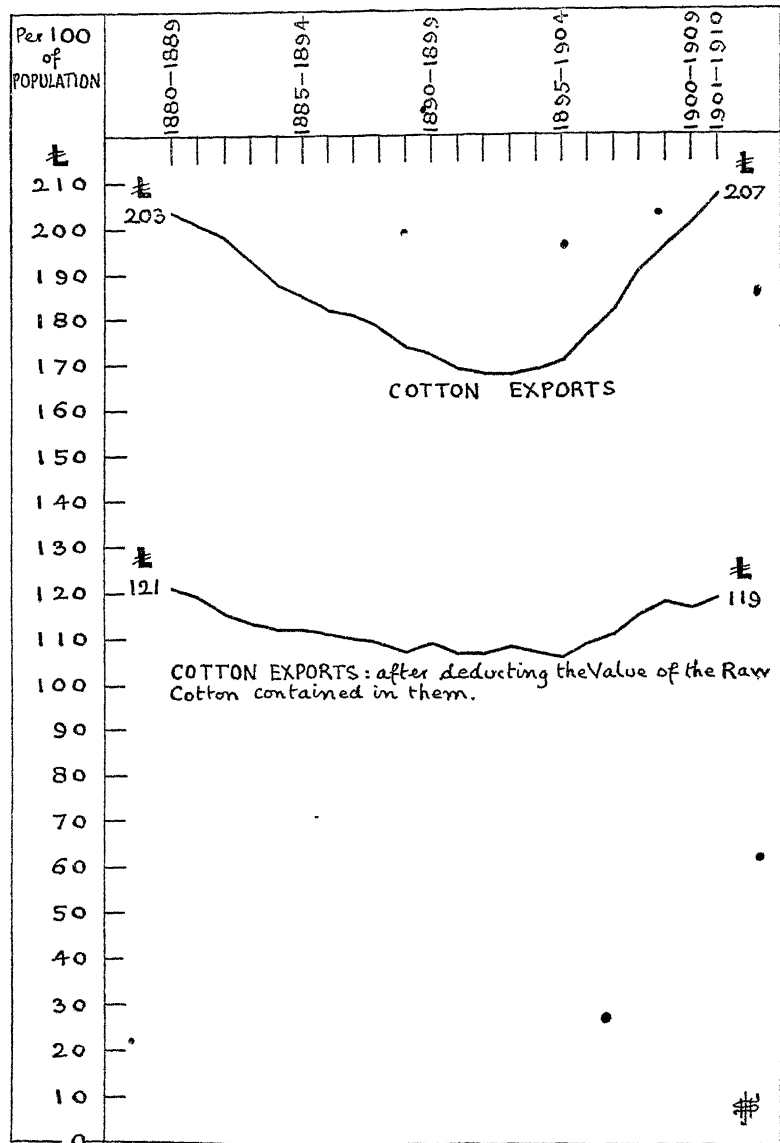
During 1901-1910 cotton exports paid for only £178 per £1000 of our special imports; and there was a large intervening fall.

The course of the cotton export trade has seriously declined, not only as regards actual value during the greater part of Table 211 and as regards its relation to our population

* As we saw at the beginning of this chapter, cotton exports during 1880-1910 were no less than 34·1 per cent. of all exports in Class III.

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DIAGRAM LXXXIIL.—SEE TABLES 212 AND 214 UNITED KINGDOM:
THE VALUE OF COTTON EXPORTS PER 100 OF OUR POPULATION
SHOWING ALSO THE VALUE AFTER DEDUCTING THE VALUE OF THE
RAW COTTON CONTAINED IN OUR COTTON EXPORTS, 1880-1910.
Yearly Averages during each Decade



Keep the base-line 0 in sight.

Example.—Our Cotton Exports were £203 per 100 of our population yearly during the first decade. There was a large Fall throughout the larger part of the period 1880-1910, with a Rise at the end to £207.

Our Cotton Exports, deducting the value of the Raw Cotton contained in our Cotton Exports, were £121 yearly per 100 of our population during the first decade, and £119 during the last decade, with a prolonged intervening Fall.

(Table 212), but as we have just seen, the cotton export trade has also largely declined in its paying-power for our special imports. See also Chapter I., Tables 4 and 14.

TABLE 212—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—COTTON. *Yearly Averages during each Decade* SEE TABLE 211.

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade.	Value.	Quantity.				Paying-Power Test.
	Cotton Manufactures and Yarn	Cotton Piece Goods.	Cotton Yarn.	Cotton Sewing Thread.	Cotton Stockings and Socks.	Value per £1000 of Special Imports in Table 41.
	Per 100 of Population. A.	Per Head of Population. A.	Per Head of Population A.	Per 100 of Population. A.	Per 100 of Population. A.	B.
	£	Yards.	Lbs.	Lbs.	Pans.	£
1880—1889	203	130	7.0	46	56	220
1881—1890	201	131	7.0	47	56	219
1882—1891	198	130	7.0	47	54	214
1883—1892	193	131	6.9	47	51	211
1884—1893	188	130	6.7	47	48	208
1885—1894	185	131	6.5	48	44	205
1886—1895	182	132	6.5	50	41	201
1887—1896	181	132	6.4	51	37	196
1888—1897	178	130	6.3	53	34	189
1889—1898	174	129	6.3	54	30	183
1890—1899	172	129	6.1	56	27	179
1891—1900	169	128	5.8	60	25	173
1892—1901	168	128	5.6	63	23	170
1893—1902	168	128	5.3	66	22	167
1894—1903	169	128	5.2	70	21	165
1895—1904	171	127	4.9	71	20	164
1896—1905	177	128	4.8	70	19	165
1897—1906	182	130	4.6	69	18	167
1898—1907	191	132	4.5	70	18	171
1899—1908	196	132	4.4	70	18	173
1900—1909	201	131	4.4	69	18	175
1901—1910	207	132	4.4	66	18	178

Before we leave this investigation concerning cotton—our predominant article of special exports in Class III., Manufactured Goods—we may look at our net imports of raw cotton—Table 213.

We do not know how much of these net imports of raw

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cotton was used for our export trade and for our home trade respectively. According to the estimate of Sir Charles Macara, a well-known Free Trader and an authority on the cotton trade, we use 80 per cent. of our net imports of raw cotton for our export trade and 20 per cent. for our home trade.

TABLE 213—UNITED KINGDOM: NET IMPORTS* OF RAW COTTON, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Value.	Quantity.	Per 100 of Population.		Price of B per Lb. $\left(\frac{A \times 240}{B \times 112}\right)$
	A.	B.	Value.	Quantity.	
	Million £	Million Cwts	£	Cwts	Pence per Lb
1880—1889	37.0	13.1	103	36.6	6.03
1881—1890	37.1	13.3	103	36.8	5.97
1882—1891	37.4	13.6	103	37.2	5.91
1883—1892	36.7	13.7	100	37.2	5.76
1884—1893	35.4	13.4	95	36.1	5.65
1885—1894	34.3	13.4	92	35.9	5.47
1886—1895	33.8	13.7	90	36.4	5.26
1887—1896	33.6	13.7	88	36.1	5.22
1888—1897	33.0	13.7	86	35.8	5.14
1889—1898	32.6	14.2	84	36.7	4.92
1890—1899	30.9	13.9	79	35.6	4.75
1891—1900	30.7	13.8	78	35.1	4.75
1892—1901	30.2	13.7	76	34.3	4.73
1893—1902	30.3	13.7	75	34.0	4.75
1894—1903	31.4	13.9	77	34.3	4.84
1895—1904	33.4	14.1	81	34.4	5.07
1896—1905	35.3	14.5	85	34.9	5.22
1897—1906	36.9	14.6	88	34.8	5.44
1898—1907	40.2	15.1	95	35.7	5.71
1899—1908	41.9	15.0	98	35.1	5.99
1900—1909	44.9	15.5	104	35.9	6.21
1901—1910	47.5	15.6	109	35.9	6.51

* These are the net imports of raw cotton, obtained by deducting the re-exports from the gross imports of raw cotton.

Sir Charles Macara, a well-known cotton trade expert, estimates that 80 per cent. of our net imports of raw cotton is used for our export trade, and 20 per cent. for our home trade.

In Table 213, we see a considerable increase in the value of our net imports of raw cotton; and a much smaller increase in the net quantity of raw cotton imported. Of late years, the price of imported raw cotton has largely increased (see the last column of Table 213), and it is important

to bear this fact in mind when we are dealing with our cotton industry. Table 213 shows that the quantity of raw cotton we imported for use in our home trade and in our export trade has not kept pace with the growth of our population. See also Chapter I., Table 4, which throws light upon the decline in our Cotton industry as an occupation-giver to our population.

Our cotton export trade is so vastly the predominant item in our exports of manufactured goods—see Table 208—and it is so largely dependent upon our imported raw cotton and upon the price of the latter, that we may usefully make some further investigations in this respect.

If we accept the estimate of Sir Charles Macara that 80 per cent. of our net imports of raw cotton is used in our cotton export trade, then we obtain the result shown in column A of Table 214. In this table we deduct from the value of our special exports of cotton manufactured goods, the value of the raw cotton contained in them. Thus ascertaining the value of our cotton export trade as it relates to British Labour and to British Profit in these manufactured cotton exports.

Table 214 shows plainly that, when we deduct the value of the raw cotton, our exports of cotton manufactured goods have largely declined relatively to our population. We see that, despite all the recent “boom” years, we exported a less value, per 100 of our population than we exported in the decade 1880-1889, with a large intervening fall.

This matter is of much importance; because our increased cotton export trade during recent years has often been quoted as evidence of the prosperity of our leading manufacturing industry. But, as we see in Tables 213-214, these cotton export values have been largely and artificially inflated by the inclusion of the raw cotton, including the much advanced price of the raw cotton.

Look at Table 215. We see what a large proportion of our cotton exports relates to the raw cotton contained in

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them. When this goes up in price, as it has gone up during recent years, even although the quantity of raw cotton imported may not increase, this fact reflects itself in our cotton exports, thus artificially inflating the latter.

TABLE 214.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910 —COTTON *Yearly Averages during each Decade*

Showing our Special Exports of Cotton Manufactured Goods,
less the Value of the Raw Cotton contained in them.

Decade.	80 per cent. of our Net Imports of Raw Cotton.	Special Exports of Cotton Manufactures and Yarn.	Cotton Exports, less Raw Cotton contained in them.	
	<i>Table 213.</i> A.	<i>Table 211.</i> B	Value. (B - A.)	Per 100 of our Population.
	Million £	Million £	Million £	£
1880—1889	29·6	72·9	43·3	121
1881—1890	29·7	72·8	43·1	119
1882—1891	29·9	72·0	42·1	115
1883—1892	29·4	71·0	41·6	113
1884—1893	28·3	69·8	41·5	112
1885—1894	27·4	69·2	41·8	112
1886—1895	27·0	68·8	41·8	111
1887—1896	26·9	68·9	42·0	110
1888—1897	26·4	68·2	41·8	109
1889—1898	26·1	67·5	41·4	107
1890—1899	24·7	67·2	42·5	109
1891—1900	24·6	66·7	42·1	107
1892—1901	24·2	66·9	42·7	107
1893—1902	24·2	67·6	43·4	108
1894—1903	25·1	68·6	43·5	107
1895—1904	26·7	70·3	43·6	106
1896—1905	28·2	73·1	44·9	109
1897—1906	29·5	76·1	46·6	111
1898—1907	32·2	80·8	48·6	115
1899—1908	33·5	83·8	50·3	118
1900—1909	35·9	86·4	50·5	117
1901—1910	38·0	90·0	52·0	119

Table 215 shows that the proportion of raw cotton contained in our cotton exports, varied from a maximum of 42 per cent. of the value of our cotton exports in 1901-1910 to a minimum of 36 per cent. in 1893-1902.

Approximately, and as we see in Table 215, only about 60 per cent. of the value of our cotton exports can rightly

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TABLE 215 — UNITED KINGDOM: SHOWING THE PERCENTAGE PROPORTION OF THE VALUE OF THE IMPORTED RAW COTTON CONTAINED IN THE VALUE OF OUR SPECIAL EXPORTS OF MANUFACTURED COTTON GOODS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Special Exports of Cotton Manufactures and Yarn, consisting of			Percentage Proportion of A and B.		
	Imported Raw Cotton.	British Labour and Profit.	Total.	Imported Raw Cotton.	British Labour and Profit.	Total
	<i>Table 214.</i>	<i>Table 214.</i>	<i>Table 214.</i>			
	A.	B.	C.	D.	E.	
	Million £	Million £.	Million £.	Per cent	Per cent	Per cent
1880—1889	29·6	43·3	72·9	41	59	100
1881—1890	29·7	43·1	72·8	41	59	100
1882—1891	29·9	42·1	72·0	42	58	100
1883—1892	29·4	41·6	71·0	41	59	100
1884—1893	28·3	41·5	69·8	41	59	100
1885—1894	27·4	41·8	69·2	40	60	100
1886—1895	27·0	41·8	68·8	39	61	100
1887—1896	26·9	42·0	68·9	39	61	100
1888—1897	26·4	41·8	68·2	39	61	100
1889—1898	26·1	41·4	67·5	39	61	100
1890—1899	24·7	42·5	67·2	37	63	100
1891—1900	24·6	42·1	66·7	37	63	100
1892—1901	24·2	42·7	66·9	36	64	100
1893—1902	24·2	43·4	67·6	36	64	100
1894—1903	25·1	43·5	68·6	37	63	100
1895—1904	26·7	43·6	70·3	38	62	100
1896—1905	28·2	44·9	73·1	39	61	100
1897—1906	29·5	46·6	76·1	39	61	100
1898—1907	32·2	48·6	80·8	40	60	100
1899—1908	33·5	50·3	83·8	40	60	100
1900—1909	35·9	50·5	86·4	42	58	100
1901—1910	38·0	52·0	90·0	42	58	100

Note.—The Percentage Proportion of British Labour and Profit contained in our Special Exports of Cotton Manufactured Goods has varied from a maximum of 64 per cent. to a minimum of 58 in the last decade. Our Cotton Exports are so largely made up of the value of the Raw Cotton contained in them, that in order to see what has been the progress or the regress in our Cotton Export Trade, it is necessary to distinguish the value of the Raw Cotton contained in our Cotton Exports; especially because the price of Raw Cotton has of late years largely increased. See Table 213.

* Columns B and E probably contain a part of our Cotton Imports in Class III., Manufactured Goods, which have largely increased. The value in the year 1910 of these Manufactured Cotton Imports was 10·87 million £ General Imports, less 2·37 million £ re-exports=8·5 million £ Special Imports of Cotton Manufactured Goods. Thus even the reduced values in Columns B and E probably over-state the value of the British Labour and Profit contained in our Special Exports of Cotton Manufactured Goods.

be taken as the contribution of our cotton export trade to the total export trade of the United Kingdom. This fact is commonly overlooked; but it is a fact of much importance, applying as it does to our leading manufacturing industry.

And we should be on our guard when these so-called British Manufactured cotton goods are unthinkingly stated at their full nominal value as evidence of the prosperity of our cotton industry. For it is clear that a large part of their nominal value is made up of value that has previously been included in our imports of raw material. And the same caution applies to many other of our so-called British manufactured goods, which consist to an appreciable extent of raw materials, and of partly manufactured goods, previously imported by us. The common plan of adding together our imports and our exports, to show increased trade, is wholly misleading, because much of the value is reckoned twice. Once as imports, and a second time as British exports of manufactured goods.

IRON AND STEEL, Table 216 :—This table covers the whole of our special export trade in iron and steel manufactures. Some of the more important items are galvanised iron sheets, tinned plates, pig and puddled iron, iron and steel rails, steel bars, iron tubes and pipes, iron and steel wire.

Looking at the value in Table 216, we see a prolonged fall, followed by a rise that has not compensated for the prolonged fall.

The quantity has also fallen throughout the greater part of Table 216, with a small rise at the end of Table 216. During 1880-1889 we exported iron and steel to the amount of 3·83 million tons yearly, and during 1901-1910 the quantity was 3·95 million tons yearly.

Coming to the results of the population test, Table 216, we see a large fall in the course of the iron and steel special export trade throughout the greater part of the period, as regards

both value and quantity. The value recovered itself in recent years; the quantity did not.

TABLE 216—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—IRON AND STEEL *Yearly Averages during each Decade*

Decade.	Value.	Quantity.	Per 100 of Population.		Paying-Power Test.
			Value.	Quantity.	
	Million £	Million Tons	£	Tons	£
1880—1889	26.5	3.83	74	10.7	80
1881—1890	26.8	3.85	74	10.6	81
1882—1891	26.7	3.80	73	10.4	80
1883—1892	25.7	3.62	70	9.9	76
1884—1893	24.9	3.49	67	9.4	74
1885—1894	24.3	3.40	65	9.1	72
1886—1895	24.0	3.36	64	8.9	70
1887—1896	24.2	3.36	64	8.8	69
1888—1897	24.1	3.31	63	8.6	67
1889—1898	23.7	3.23	61	8.3	64
1890—1899	23.6	3.17	60	8.1	63
1891—1900	23.6	3.11	60	7.9	61
1892—1901	23.4	3.07	59	7.7	60
1893—1902	24.2	3.16	60	7.8	60
1894—1903	25.2	3.24	62	8.0	60
1895—1904	26.1	3.31	64	8.1	61
1896—1905	27.4	3.40	66	8.2	62
1897—1906	29.0	3.53	69	8.4	63
1898—1907	31.2	3.69	74	8.7	66
1899—1908	32.7	3.78	77	8.9	68
1900—1909	33.8	3.84	78	8.9	68
1901—1910	34.9	3.95	80	9.1	69

* These amounts are not strictly comparative throughout 1880-1910, because there has been a change in the classification of the original returns. But such change does not appreciably affect the "yearly averages during each Decade" as shown in million £ and million tons.

During the first decade these exports were £74 per 100 of our population yearly, and during 1901-1910 they were £80 yearly; but there was a large intervening fall.

The quantity of iron and steel exports fell from 10.7 tons yearly per 100 of population to 9.1 tons during 1901-1910.

Thus, iron and steel, our second article of special export, has failed to keep its place during 1880-1910.

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Moreover, during 1880-1889 iron and steel exports paid for £80 per £1000 of our special imports of all sorts, and during 1901-1910 only £69 per £1000 of our special imports were paid for by our special exports of iron and steel: a serious fall in the paying-power of this important article.

WOOLLEN AND WORSTED, Tables 217 and 218 :—This is our

TABLE 217.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—WOOLLEN AND WORSTED.* *Yearly Averages during each Decade.* SEE TABLE 218.

Decade.	Value.	Quantity.			
	Woollen and Worsted Yarn and Manufactures.	Woollen and Worsted Tissues and Flannels.	Woollen and Worsted Yarn, Alpaca and Mohair Yarn, etc.	Carpets and Druggets.	Blankets.
	Million £	Million Yards	Million Lbs.	Million Yards	Million Pairs
1880—1889	24·6	256	49	11·2	1·34
1881—1890	25·1	255	51	11·3	1·36
1882—1891	25·3	251	52	11·4	1·38
1883—1892	25·3	246	54	11·2	1·37
1884—1893	25·4	241	57	11·0	1·38
1885—1894	25·0	230	58	10·6	1·37
1886—1895	25·3	228	61	10·4	1·38
1887—1896	25·5	222	62	10·0	1·46
1888—1897	25·3	215	64	9·5	1·34
1889—1898	25·0	205	66	9·0	1·29
1890—1899	24·6	195	69	8·6	1·22
1891—1900	24·3	187	71	8·4	1·15
1892—1901	24·0	181	72	8·2	1·09
1893—1902	23·8	176	73	8·0	1·04
1894—1903	23·9	174	74	8·0	·99
1895—1904	24·5	176	75	8·1	1·04
1896—1905	24·6	172	74	8·1	1·00
1897—1906	25·0	170	74	8·2	·91
1898—1907	26·0	170	75	8·4	·90
1899—1908	26·6	171	75	8·2	·86
1900—1909	27·4	171	75	8·1	·84
1901—1910	28·7	175	77	7·9	·85

* Excluding Wool, etc.

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third great article of the special export trade. Cotton, iron and steel, woollen and worsted manufactures, and coal,

TABLE 218—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910 — WOOLLEN AND WORSTED. *Yearly Averages during each Decade* SEE TABLE 217.

POPULATION TEST, A; AND PAYING-POWER TEST, B

Decade.	Value. Per 100 of Population	Quantity. Per 100 of Population.				Paying- Power Test.
	Woollen and Worsted Yarn and Manufactures. A.	Woollen and Worsted Tissues and Flannels. A.	Woollen and Worsted Yarn, Alpaca and Mohair Yarn, etc. A.	Carpets and Druggets. A.	Blankets. A.	Value per £1000 of Special Imports in Table 41. B.
1880—1889	£ 69	Yards. 712	Lbs 136	Yards 31·2	Pairs. 3·7	£ 74
1881—1890	69	706	140	31·4	3·8	76
1882—1891	69	688	143	31·3	3·8	75
1883—1892	69	670	147	30·6	3·7	75
1884—1893	69	650	153	29·7	3·7	76
1885—1894	67	615	156	28·5	3·7	74
1886—1895	67	603	161	27·5	3·7	74
1887—1896	67	585	164	26·4	3·7	72
1888—1897	66	559	168	24·7	3·5	70
1889—1898	65	528	172	23·3	3·3	68
1890—1899	63	499	176	22·1	3·1	66
1891—1900	62	475	179	21·4	2·9	63
1892—1901	60	454	180	20·5	2·7	61
1893—1902	59	439	181	19·9	2·6	59
1894—1903	59	430	182	19·7	2·4	58
1895—1904	59	430	182	19·7	2·5	57
1896—1905	59	416	178	19·5	2·4	56
1897—1906	60	406	177	19·6	2·2	55
1898—1907	62	403	178	19·9	2·1	55
1899—1908	63	400	175	19·3	2·0	55
1900—1909	64	398	174	18·8	2·0	55
1901—1910	66	402	177	18·2	2·0	57

each exceeded 800 million £ of export value during 1880.

The course of trade in Table 217 shows no considerable change in value. There was a short rise at the end. The value of woollen and worsted special exports was 24·6 million £ yearly during 1880-1889 and 28·7 million £ during 1901-1910.

There was a large fall in quantity in the leading item of the wool trade, woollen and worsted tissues, and flannels: from 256 million yards yearly during 1880-1889 to 175 million yards yearly during 1901-1910; a fall of 81 million yards during the whole of the latter decade—81 million yards yearly. A fall of more than $1\frac{1}{2}$ million yards per week.

As regards the other woollen items that are recorded by quantity, yarn rose largely, carpets and druggets fell largely, and blankets have fallen nearly continuously since 1887-1896—see Table 217.

The population test, Table 218, shows a large fall in value: from £69 per 100 of population during 1880-1889 to £59 during 1896-1905, with some recovery in recent years.

The fall in tissues and flannels was from 712 yards per 100 of population during 1880-1889 to 402 yards during 1901-1910.

Yarn rose largely, from 136 lbs. per 100 of population to 177 lbs. during 1901-1910.

Carpets and druggets fell largely, and also blankets.

The Paying-Power test shows that during 1880-1889 woollen and worsted special exports paid for £74 per £1000 of our special imports, and for only £57 per £1000 of our special imports during 1901-1910.

We may now sum up the results for the three leading manufactured articles, cotton, iron and steel, woollen and worsted, as one whole. See Table 219.

The export value of these three articles was 124 millions yearly during 1880-1889, and 153 millions yearly during 1901-1910. As is shown in the other part of Table 219, this rise was inadequate, and moreover there was a large intervening fall. Also, the full value of cotton exports is here included

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as in Table 211. No deduction for the raw cotton, nor for the increased price of raw cotton, has been made in Table 219.

TABLE 219.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, CLASS III., 1880-1910. THE THREE LEADING ARTICLES COMBINED, NAMELY, COTTON, IRON AND STEEL, WOOLLEN AND WORSTED. *Yearly Averages during each Decade.*

Decade.	Cotton plus Iron and Steel plus Woollen and Worsted.		
	Value.	Population Test. Value per 100 of Population.*	Paying-Power Test. Value per £1000 of Special Imports in Table 41
	Tables 211, 216, 217.	Tables 212, 216, 218.	Tables 212, 216, 218.
	Million £	£	£
1880—1889	124·0	346	374
1881—1890	124·7	344	376
1882—1891	124·0	340	369
1883—1892	122·0	332	362
1884—1893	120·1	324	358
1885—1894	118·5	317	351
1886—1895	118·1	313	345
1887—1896	118·6	312	337
1888—1897	117·6	307	326
1889—1898	116·2	300	315
1890—1899	115·4	295	308
1891—1900	114·6	291	297
1892—1901	114·3	287	291
1893—1902	115·6	287	286
1894—1903	117·7	290	283
1895—1904	120·9	294	282
1896—1905	125·1	302	283
1897—1906	130·1	311	285
1898—1907	138·0	327	292
1899—1908	143·1	336	296
1900—1909	147·6	343	298
1901—1910	153·6	353	304

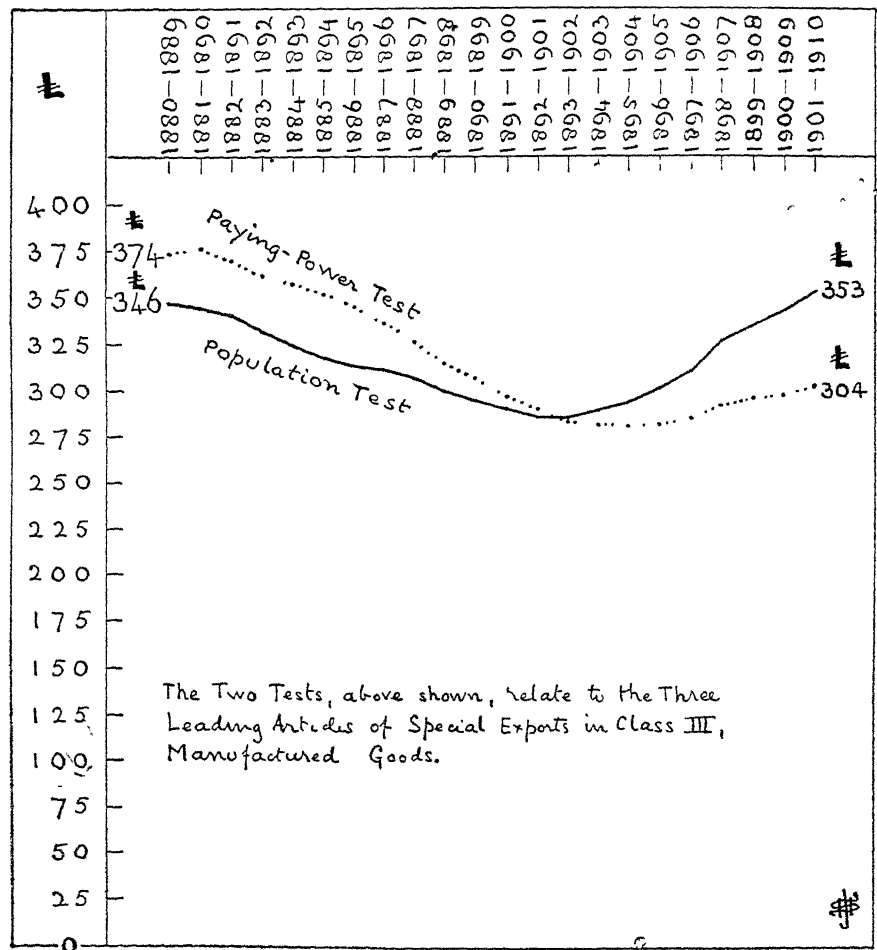
* Compare the results of these two Tests (Population and Paying-Power), as applied above to our three leading articles of special export in Class III., Manufactured Goods, with the results of the same Tests as applied to our exports of Machinery, Tables 209-210. The latter article is an example of vigorous and progressive export trade, as contrasted with the weak condition of Cotton plus Iron and Steel plus Woollen and Worsted, during the greater part of the period 1880-1910.

The export value of these three articles relatively to population was £346 per 100 of population yearly during 1880-1889, and £353 yearly during 1901-1910.

And during 1880-1889 these three leading articles of the

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DIAGRAM LXXXIV.—SEE TABLE 219. UNITED KINGDOM: SHOWING, FOR THE THREE LEADING ARTICLES OF SPECIAL EXPORT, CLASS III, NAMELY, COTTON *plus* IRON AND STEEL *plus* WOOLLEN AND WORSTED, THE VALUE PER 100 OF OUR POPULATION, AND THE VALUE PER £1000 OF OUR SPECIAL IMPORTS OF ALL KINDS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The value, per 100 of our population, of Special Manufactured Exports of Cotton *plus* Iron and Steel *plus* Woollen and Worsted fell from £346 in the first decade during the larger part of the period, rising to £353 in the last decade.
The Paying-Power (per £1000 of our Special Imports of All Kinds) of Cotton *plus* Iron and Steel *plus* Woollen and Worsted fell from £374 to £304.

special export trade paid for £374 per £1000 of our special imports. During 1901-1910 these three articles paid for only £304 per £1000 of our special imports. Reference to Table 208 will show how greatly these three articles predominate in Class III., exports of Manufactured Goods; and the results in Table 219 show the weakness of this leading section in Class III. during the greater part of the period observed.

We come now to the smaller articles of special export trade in Class III.

MACHINERY, Table 220 :—There has been a large and continuous rise in our special exports of Machinery : from 11·9

TABLE 220.—UNITED KINGDOM : PRINCIPAL SPECIAL EXPORTS, 1880-1910.—MACHINERY.* *Yearly Averages during each Decade.*

Decade.	Value.	Quantity.	Per 100 of Population.		Paying-Power Test.
			Value.	Quantity.	Value per £1000 of Special Imports in Table 41.
	Million £.		£		£
1880—1889	11·9	Not recorded by Quantity	33	A large and continuous Rise	36
1881—1890	12·6		35		38
1882—1891	13·2		36		39
1883—1892	13·4		36		40
1884—1893	13·4		36		40
1885—1894	13·5		36		40
1886—1895	14·0		37		41
1887—1896	14·6		38		42
1888—1897	15·2		40		42
1889—1898	15·7		41		43
1890—1899	16·1		41		43
1891—1900	16·4		42		42
1892—1901	16·6		42		42
1893—1902	17·1		42		42
1894—1903	17·7		44		43
1895—1904	18·4		45		43
1896—1905	19·2		46		44
1897—1906	20·2		48		44
1898—1907	21·7		51		46
1899—1908	23·0		54		47
1900—1909	23·8		55		48
1901—1910	24·8		57		49

* Including Sewing Machines.

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million £ yearly during 1880-1889 to 24·8 million £ yearly during 1901-1910: an increase of 12·9 million £ yearly, or of 129 million £ during the whole of the latter decade.

And, as Table 220 shows, exports of machinery increased more than our population increased. They were £33 per 100 of population during 1880-1889, and £57 per 100 of population during 1901-1910, with a continuous rise between these two decades.

TABLE 221.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.
—LINEN *Yearly Averages during each Decade.* SEE TABLE 222.

Decade.	Value.	Quantity.	
	Linen Manufactures and Yarn.	Linen Piece Goods.	Linen Yarn and Sewing Thread.
	Million £.	Million Yards.	Million Lbs.
1880—1889	6·52	167	19·4
1881—1890	6·49	169	19·3
1882—1891	6·40	167	19·0
1883—1892	6·30	167	18·7
1884—1893	6·23	166	18·6
1885—1894	6·14	166	18·1
1886—1895	6·18	172	18·1
1887—1896	6·16	173	18·3
1888—1897	6·10	173	18·5
1889—1898	5·98	170	18·6
1890—1899	5·92	169	19·0
1891—1900	5·88	166	19·0
1892—1901	5·87	166	18·7
1893—1902	5·89	165	18·5
1894—1903	5·95	164	18·3
1895—1904	6·07	165	18·2
1896—1905	6·16	163	17·9
1897—1906	6·36	165	17·6
1898—1907	6·64	167	17·4
1899—1908	6·78	167	17·1
1900—1909	7·03	172	16·8
1901—1910	7·37	179	17·2

Exports of machinery are not recorded by quantity.

During 1880-1889 exports of machinery paid for £36 per £1000 of our special imports, and during 1901-1910 these exports paid for £49 per £1000 of our special imports.

Thus exports of machinery have not only kept their posi-

tion, but they have gained ground, both actually and also relatively to population, and as regards their paying-power for our special imports of all sorts.

But, as we have seen, machinery is a relatively small item compared with cotton, iron and steel, wool. Machinery covers only 7·9 per cent. of all exports in Class III. See Table 208.

LINEN MANUFACTURES AND YARN, Tables 221 and 222 :—
Table 221 shows a prolonged fall in the value of linen exports, followed by a rise at the end.

TABLE 222.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—LINEN. *Yearly Averages during each Decade.* SEE TABLE 221.

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade.	Value. Per 100 of Population.	Quantity. Per 100 of Population.		Paying-Power Test.
	Linen Manufactures and Yarn. A.	Linen Piece Goods. A.	Linen Yarn and Sewing Thread. A.	Value per £1000 of Special Imports in Table 41. B.
	£	Yards	Lbs	£
1880—1889	18·2	464	54·2	20
1881—1890	18·0	466	53·5	20
1882—1891	17·5	458	52·1	19
1883—1892	17·1	453	50·9	19
1884—1893	16·8	448	50·1	19
1885—1894	16·4	445	48·4	18
1886—1895	16·4	456	48·1	18
1887—1896	16·2	454	48·2	18
1888—1897	15·9	450	48·1	17
1889—1898	15·4	439	48·1	16
1890—1899	15·1	433	48·6	16
1891—1900	14·9	422	48·1	15
1892—1901	14·7	416	47·0	15
1893—1902	14·7	410	46·1	15
1894—1903	14·7	405	45·0	14
1895—1904	14·8	402	44·3	14
1896—1905	14·9	394	43·3	14
1897—1906	15·2	394	42·1	14
1898—1907	15·7	395	41·3	14
1899—1908	15·9	392	40·1	14
1900—1909	16·4	400	39·1	14
1901—1910	16·9	411	39·5	14

Some linen goods are not recorded by quantity. The most important item recorded by quantity is piece goods. In this item Table 221 shows a rise during the first part of the table, followed by a fall, with a rise in recent years; linen yarn and sewing thread have fallen.

The population test of linen exports in Table 222 shows a large fall in value: from £18·2 per 100 of population during 1880-1889 to £16·9 per 100 of population during 1901-1910.

The fall in linen piece goods was from 464 yards per 100 of population during 1880-1889 to 411 yards per 100 of population during 1901-1910.

And yarn, etc., fell from 54·2 lbs. per 100 of population during 1880-1889 to 39·5 lbs. per 100 of population during 1901-1910.

During 1880-1889 linen exports paid for £20 per £1000 of our special imports in Table 41, and for only £14 per £1000 during 1901-1910.

We now see that the linen export trade has largely failed to maintain its place.

APPAREL, Table 223 :—This item includes “slops,” but not hats, nor boots and shoes. These, with other items such as stockings, come under other articles of export, either already dealt with or to be dealt with.

Exports of apparel and slops have risen nearly continuously: from 4·03 million £ yearly during 1880-1889 to 5·67 million £ yearly during 1901-1910.

Apparel is not recorded by quantity.

The value of these exports relatively to population rose from £11·2 per 100 of population during 1880-1889 to £13·0 per 100 of population during 1901-1910.

During 1880-1889 exports of apparel and slops paid for £12 per £1000 of our special imports of all sorts, and during 1901-1910 for £11 per £1000.

Thus exports of apparel and slops have increased actually and also relatively to population, and they have nearly kept

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their place as a payer for our special imports. Exports of apparel must be regarded as in a vigorous condition.

TABLE 223.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—APPAREL * *Yearly Averages during each Decade.*

Decade.	Value. *	Quantity.	Per 100 of Population.		Paying-Power Test.
			Value.	Quantity.	
	Million £.		£		£
1880—1889	4.03	Not recorded by Quantity	11.2	A nearly continuous Rise	12
1881—1890	4.21		11.6		13
1882—1891	4.36		11.9		13
1883—1892	4.43		12.0		13
1884—1893	4.49		12.1		13
1885—1894	4.51		12.1		13
1886—1895	4.54		12.1		13
1887—1896	4.68		12.3		13
1888—1897	4.78		12.5		13
1889—1898	4.78		12.3		13
1890—1899	4.75		12.1		13
1891—1900	4.78		12.1		12
1892—1901	4.82		12.1		12
1893—1902	4.96		12.3		12
1894—1903	5.17		12.7		12
1895—1904	5.22		12.7		12
1896—1905	5.24		12.7		12
1897—1906	5.26		12.6		12
1898—1907	5.32		12.6		11
1899—1908	5.35		12.6		11
1900—1909	5.45		12.7		11
1901—1910	5.67		13.0		11

* Not including Hats and Bonnets. Not including Boots and Shoes.

LEATHER AND MANUFACTURES THEREOF, Tables 224 and 225:—Table 224 shows that there has been a nearly continuous fall during the greater part of this table, followed by a rise at the end. This rise, although it did not make up for the prolonged fall, caused these exports during 1901-1910 to be larger than during 1880-1889. Leather exports were 3.9 million £ during 1880-1889, and 5.7 million £ during 1901-1910.

As to quantity, Table 224, a considerable part of the leather

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special export trade is not recorded by quantity. For example, saddlery and harness are recorded only by value; but the most important items, boots and shoes, and tanned leather unwrought, are recorded by quantity.

TABLE 224.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—LEATHER. *Yearly Averages during each Decade.* SEE TABLE 225.

Decade.	Value.	Quantity.	
	Leather, and Manufactures thereof.†	Leather, Tanned, Unwrought.‡	Leather Boots and Shoes.
	Million £.	Million Lbs.	Million Pairs
1880—1889	3·90	18·4	6·80
1881—1890	4·01	18·5	7·13
1882—1891	4·04	18·0	7·32
1883—1892	3·98	17·7	7·34
1884—1893	3·96	17·4	7·56
1885—1894	3·92	16·9	7·73
1886—1895	3·90	16·6	7·87
1887—1896	3·95	16·5	8·14
1888—1897	3·95	16·5	8·17
1889—1898	3·92	16·5	8·15
1890—1899	3·89	16·7	8·08
1891—1900	3·85	16·5	7·99
1892—1901	3·84	16·2	7·96
1893—1902	3·90	16·1	8·11
1894—1903	4·01	16·1	8·21
1895—1904	4·13	16·5	8·22
1896—1905	4·32	17·1	8·34
1897—1906§	4·55	18·1	8·39
1898—1907§	4·83	18·8	8·56
1899—1908§	5·04	19·1	8·71
1900—1909§	5·32	19·7	9·00
1901—1910§	5·70	20·7	9·54

* Some Leather Goods, included in the value results, are not recorded by Quantity.

† Including Leather Boots and Shoes.

‡ In 1910, some Dressed, Japanned, etc., Leather, was classed in this group.

§ Including in 1906 and later the value of Leather Belting for Machinery.

There was a prolonged fall in the quantity of tanned leather exported, with a rise at the end. The short rise did not make good the prolonged fall.

The quantity of boots and shoes exported has fluctuated, and on the whole the quantity has considerably risen: from 6·8 million pairs during 1880-1889 to 9·54 million pairs during 1901-1910.

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The population test, Table 225, shows a prolonged fall, with a rise towards the end of the table. The value of leather exports was £10·9 per 100 of population during 1880-1889,

TABLE 225—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—LEATHER *Yearly Averages during each Decade* SEE TABLE 224.

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade.	Value Per 100 of Population.	Quantity.* Per 100 of Population.		Paying-Power Test
	Leather, and Manufactures thereof. A.	Leather, Tanned, Unwrought. A.	Boots and Shoes. A.	Value per £1000 of Special Imports in Table 41. B.
	£	Lbs	Pairs.	£
1880—1889	10·9	51	19	11·8
1881—1890	11·1	51	20	12·1
1882—1891	11·1	49	20	12·0
1883—1892	10·8	48	20	11·8
1884—1893	10·7	47	20	11·8
1885—1894	10·5	45	21	11·6
1886—1895	10·4	44	21	11·4
1887—1896	10·4	43	21	11·2
1888—1897	10·3	43	21	11·0
1889—1898	10·1	43	21	10·6
1890—1899	9·9	43	21	10·4
1891—1900	9·8	42	20	10·0
1892—1901	9·6	41	20	9·8
1893—1902	9·7	40	20	9·7
1894—1903	9·9	40	20	9·6
1895—1904	10·1	40	20	9·6
1896—1905	10·4	41	20	9·8
1897—1906	10·9	43	20	10·0
1898—1907	11·4	45	20	10·2
1899—1908	11·8	45	20	10·4
1900—1909	12·4	46	21	10·8
1901—1910	13·1	48	22	11·3

* See Notes to Table 224.

and £13·1 per 100 of population during 1901-1910, but we must not overlook the continuous fall during the greater part of Table 225.

The quantity of tanned leather exported fell largely, with some recovery at the end: from 51 lbs. per 100 of population

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during 1880-1889 to 48 lbs. per 100 of population during 1901-1910, with a large intervening fall.

The quantity of boots and shoes exported has remained nearly constant, relatively to population—see Table 225.

During 1880-1889 leather exports paid for £11·8 per £1000 of our special imports, and for £11·3 per £1000 during 1901-1910.

EARTHENWARE AND GLASS, Tables 226 and 227 :—There has been a prolonged fall in value, followed by a rise at the end of Table 226.

TABLE 226.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—EARTHENWARE AND GLASS. *Yearly Averages during each Decade.* SEE TABLE 227.

Decade.	Value.		Quantity.	
	Earthenware and Glass (including Bricks and Tiles).		Flint Glass, Glass Bottles, Manufactures of Common Glass, Glass of other sorts.	Plate Glass, rough or silvered.
	Million £.		Million Cwts.	Million Square Feet.
1880—1889	3·33		1·05	3·75
1881—1890	3·37		1·09	3·82
1882—1891	3·37		1·11	3·86
1883—1892	3·33		1·11	3·72
1884—1893	3·26		1·10	3·52
1885—1894	3·20		1·08	3·28
1886—1895	3·20		1·09	3·03
1887—1896	3·20		1·10	2·77
1888—1897	3·18		1·10	2·46
1889—1898	3·13	A continuous Fall, with a Rise at the end	1·09	2·20
1890—1899	3·08		1·07	1·99
1891—1900	3·06		1·07	1·90
1892—1901	3·04		1·08	..
1893—1902	3·05		1·10	..
1894—1903	3·11		1·14	..
1895—1904	3·18		†..	..
1896—1905	3·23		†..	..
1897—1906	3·32		†..	..
1898—1907	3·45		†..	..
1899—1908	3·56		†..	..
1900—1909	3·64		†..	..
1901—1910	3·77		†	..

* Earthenware is not recorded by Quantity.

† Owing to a change in the records, from weight to number of bottles, etc., these quantities cannot be given.

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During 1880-1889 these exports were 3·33 million £ yearly, and during 1901-1910 they were 3·77 million £ yearly.

TABLE 227—UNITED KINGDOM PRINCIPAL SPECIAL EXPORTS, 1880-1910.—EARTHENWARE AND GLASS. *Yearly Averages during each Decade.* SEE TABLE 226

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade.	Value. Per 100 of Population.	Quantity Per 100 of Population.		Paying-Power Test.
	Earthenware and Glass (including Bricks and Tiles).	Flint Glass, Glass Bottles, Manufactures of Common Glass, Glass of other sorts.	Plate Glass, rough or silvered.	Value per £1000 of Special Imports in Table 41.
	A.	A.	A.	B.
1880—1889	£ 9·3	Cwts 2·94	Sq Feet 10·4	£ 10·1
1881—1890	9·3	3·01	10·5	10·2
1882—1891	9·3	3·04	10·6	10·0
1883—1892	9·1	3·03	10·1	9·9
1884—1893	8·8	2·96	9·5	9·7
1885—1894	8·6	2·90	8·8	9·5
1886—1895	8·5	2·88	8·0	9·3
1887—1896	8·4	2·89	7·3	9·1
1888—1897	8·3	2·87	6·4	8·8
1889—1898	8·1	2·82	5·7	8·5
1890—1899	7·9	2·75	5·1	8·2
1891—1900	7·8	2·70	4·8	7·9
1892—1901	7·6	2·70	·	7·7
1893—1902	7·6	2·74	·	7·6
1894—1903	7·7	2·81	·	7·5
1895—1904	7·8	†..	·	7·4
1896—1905	7·8	†..	·	7·3
1897—1906	7·9	†...	·	7·3
1898—1907	8·2	†...	·	7·3
1899—1908	8·4	†...	·	7·4
1900—1909	8·4	†...	·	7·4
1901—1910	8·7	†.	·	7·4

* Earthenware is not recorded by Quantity.

† See Note to Table 226.

There was little change in the quantity of flint glass, glass bottles, etc., exported.

Plate glass, an important part of the trade, has fallen largely and continuously.

Earthenware is not recorded by quantity, nor is all of the glass trade.

Table 227 shows a large fall in the value of these exports relatively to population throughout the greater part of the period: from £9·3 per 100 of population during 1880-1889 to £8·7 per 100 of population during 1901-1910, with a larger intervening fall.

Flint glass, etc., fell from 2·94 cwts. per 100 of population to 2·81 cwts. per 100 of population.

And plate glass fell from 10·4 square feet per 100 of population during 1880-1889 to 4·8 square feet per 100 of population during 1891-1900; subsequently to 1900, plate glass was recorded by weight, not by square feet.

During 1880-1889 special exports of earthenware and glass paid for £10·1 per £1000 of our special imports, and during 1901-1910 they paid for £7·4 per £1000; this part of our export trade in manufactured articles has declined in relation to our population, and also as a payer for our special imports.

COPPER, AND MANUFACTURES THEREOF, Table 228:—The value of copper exports has risen from 3·19 million £ yearly during 1880-1889 to 3·52 million £ yearly during 1901-1910.

In quantity, copper exports have fallen considerably; there has been a large fall since 1884-1893. During 1880-1889 copper exports were 120 million lbs. yearly, and during 1901-1910 they were 108 million lbs. yearly: a fall of 12 million lbs. yearly, or of 120 million lbs. during the whole of the latter decade—a fall of 1 million lbs. per month.

The fall in the value of copper exports relatively to population was from £8·89 per 100 of population during 1880-1889 to £8·09 per 100 of population during 1901-1910. In quantity, from 334 lbs. per 100 of population to 248 lbs. per 100 of population.

During 1880-1889 special exports of copper paid for £9·6

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per £1000 of our special imports, and during 1901-1910 they paid for £7·0 per £1000.

TABLE 228.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—COPPER. *Yearly Averages during each Decade.*

Decade.	Value.	Quantity.	Per 100 of Population		Paying-Power Test. Value per £1000 of Special Imports in Table 41.
			Value.	Quantity.	
	Million £	Million Lbs	£	Lbs.	£
1880—1889	3·19	120	8·89	334	9·6
1881—1890	3·31	125	9·16	347	10·0
1882—1891	3·35	129	9·19	353	10·0
1883—1892	3·39	134	9·23	366	10·1
1884—1893	3·34	137	9·01	338	10·0
1885—1894	3·22	134	8·61	368	9·5
1886—1895	3·19	134	8·46	356	9·3
1887—1896	3·18	133	8·37	350	9·1
1888—1897	3·17	131	8·27	341	8·8
1889—1898	3·15	133	8·13	344	8·5
1890—1899	3·20	130	8·18	332	8·5
1891—1900	3·03	122	7·69	310	7·9
1892—1901	3·00	118	7·53	295	7·6
1893—1902	2·92	112	7·25	279	7·2
1894—1903	2·96	111	7·28	273	7·1
1895—1904	3·03	110	7·40	269	7·1
1896—1905	3·14	109	7·58	262	7·1
1897—1906	3·26	107	7·80	256	7·1
1898—1907	3·51	107	8·32	255	7·4
1899—1908	3·57	107	8·39	252	7·4
1900—1909	3·47	105	8·07	244	7·0
1901—1910	3·52	108	8·09	248	7·0

The copper export trade has fallen in actual quantity and also in value relatively to population. It has failed to keep its place as a payer for our special imports.

JUTE MANUFACTURES AND YARN, Tables 229 and 230:—The value of these exports, Table 229, rose during the first part of the period and then fell, with recovery in recent years.

Jute piece goods have fallen largely in quantity since

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1887-1896, and there has been a large rise in exports of Jute yarn.

TABLE 229.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—JUTE. *Yearly Averages during each Decade.* SEE TABLE 230.

Decade.	Value.		Quantity.	
	Jute Piece Goods and Yarn.		Jute Piece Goods.	Jute Yarn.
	Million £.		Million Yards	Million Lbs
1880—1889	2·53	A Rise, with Fluctuation	224	25·1
1881—1890	2·59		233	26·9
1882—1891	2·61		241	28·4
1883—1892	2·63		247	28·8
1884—1893	2·62		250	29·6
1885—1894	2·58		249	30·3
1886—1895	2·62		253	30·7
1887—1896	2·68		258	31·4
1888—1897	2·71		256	34·2
1889—1898	2·70		254	36·5
1890—1899	2·62	A Fall, with Recovery	249	37·6
1891—1900	2·56		239	38·0
1892—1901	2·54		232	39·0
1893—1902	2·49		225	41·2
1894—1903	2·49		220	42·9
1895—1904	2·49		216	44·0
1896—1905	2·49		208	45·2
1897—1906	2·56		199	46·8
1898—1907	2·70		194	48·3
1899—1908	2·74		189	48·4
1900—1909	2·78		187	49·3
1901—1910	2·82		187	51·3

Table 230 shows that during 1880-1889 exports of jute manufactures and yarn were £7·06 per 100 of population, and £6·49 per 100 of population during 1901-1910.

The fall in jute piece goods was from 624 yards per 100 of our population to 431 yards.

In jute yarn the rise was from 70· lbs. per 100 of population during 1880-1889 to 118 lbs. during 1901-1910.

During 1880-1889, exports of jute manufactures paid for £7·7 per £1000 of our special imports, and during 1901-1910 for £5·6 per £1000—a large fall.

Jute exports have fallen in their value relatively to our population, and as a payer for our special imports.

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TABLE 230.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—JUTE. *Yearly Averages during each Decade.* SEE TABLE 229

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade	Value. Per 100 of Population.	Quantity. Per 100 of Population.		Paying-Power Test.
	Jute Piece Goods and Yarn. A.	Jute Piece Goods. A.	Jute Yarn. A.	Value per £1000 of Special Imports in Table 41. B.
1880—1889	£ 7.06	Yards. 624	Lbs. 70	£ 7.7
1881—1890	7.15	645	74	7.8
1882—1891	7.17	662	78	7.8
1883—1892	7.16	671	78	7.8
1884—1893	7.07	676	80	7.8
1885—1894	6.91	667	81	7.6
1886—1895	6.95	672	81	7.6
1887—1896	7.04	677	82	7.6
1888—1897	7.06	668	89	7.5
1889—1898	6.98	657	94	7.3
1890—1899	6.71	638	96	7.0
1891—1900	6.48	606	96	6.6
1892—1901	6.37	583	98	6.4
1893—1902	6.20	561	102	6.2
1894—1903	6.12	542	106	6.0
1895—1904	6.07	528	107	5.8
1896—1905	6.02	502	109	5.6
1897—1906	6.13	477	112	5.6
1898—1907	6.39	459	114	5.7
1899—1908	6.44	445	114	5.7
1900—1909	6.47	434	114	5.6
1901—1910	6.49	431	118	5.6

HARDWARE AND CUTLERY, Table 231:—There has been a large fall: from 3.32 million £ during 1880-1889 to 2.15 million £ during 1901-1910.

Relatively to population, the fall was from £9.2 per 100 of population during 1880-1889 to £4.9 per 100 of population during 1901-1910.

During 1880-1889 special exports of hardware and cutlery paid for £10 per £1000 of our special imports, and for only £4.2 per £1000 during 1901-1910.

Exports of hardware and cutlery have fallen, in actual

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value, in their value relatively to our population, and as a payer for our special imports.

TABLE 231.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—HARDWARE AND CUTLERY.* *Yearly Averages during each Decade.*

Decade.	Value.	Quantity.	Per 100 of Population.		Paying-Power Test.
			Value.	Quantity.	
	Million £.		£		£
1880—1889	3·32	Not recorded by Quantity	9·2	Not recorded by Quantity	10 0
1881—1890	3·24		9·0		9·8
1882—1891	3·11		8·5		9·3
1883—1892	2·92		7·9		8·6
1884—1893	2·74		7·4		8·2
1885—1894	2·61		7·0		7·7
1886—1895	2·52		6·7		7·3
1887—1896	2·44		6·4		6·9
1888—1897	2·36		6·1		6·5
1889—1898	2·24		5·8		6·1
1890—1899	2·16		5·5		5·8
1891—1900	2 10		5·3		5·4
1892—1901	2·05		5·1		5·2
1893—1902	2 05		5·1		5·1
1894—1903	2·07		5·1		5·0
1895—1904	2 10		5 1		4·9
1896—1905	2·11		5·1		4·8
1897—1906	2·12		5·1		4·6
1898—1907	2 16		5·1		4·6
1899—1908	2·16		5·1		4·5
1900—1909	2·14		5·0		4·3
1901—1910	2·15		4·9		4·2

* Not including Hollow-ware.

SILK MANUFACTURES, YARN, ETC., Tables 232 and 233:—
There has been a large fall in the value of silk exports, Table 232: from 2·96 million £ yearly during 1880-1889 to 1·93 million £ yearly during 1901-1910; a fall of 1·03 million £ yearly, or of 10·3 million £ during the whole of the latter decade.

Many items of silk exports are not recorded by quantity. Silk broad piece goods, etc., the most important item of the

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silk export trade, have risen in quantity of export: from 7·33 million yards yearly during 1880-1889 to 10·72 million yards yearly during 1901-1910. Silk yarn, etc., has risen.

TABLE 232—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—SILK *Yearly Averages during each Decade.* SEE TABLE 233

Decade.	Value.	Quantity.	
	Silk Manufactures, Yarn, etc.	Broad Piece Goods of Silk, and of Silk mixed with other Materials	Silk Yarn, and Silk Thrown and Twist †
	Million £.	Million Yards	Thousand Lbs.
1880—1889	2·96	7·33	
1881—1890.	2·96	7·66	
1882—1891	2·83	7·60	
1883—1892	2·67	7·42	
1884—1893	2·55	7·26	682
1885—1894	2·42	7·13	696
1886—1895	2·36	7·21	724
1887—1896	2·27	7·25	747
1888—1897	2·15	7·34	758
1889—1898	2·03	7·40	815
1890—1899	1·93	7·41	853
1891—1900	1·86	7·49	889
1892—1901	1·81	7·77	858
1893—1902	1·77	8·13	856
1894—1903	1·76	8·51	851
1895—1904	1·78	8·96	833
1896—1905	1·81	9·43	846
1897—1906	1·85	10·01	860
1898—1907	1·94	10·56	900
1899—1908	1·92	10·56	874
1900—1909	1·91	10·59	885
1901—1910	1·93	10·72	912

* The following Silk Goods are recorded only by Value, not by Quantity:—Handkerchiefs, Scarfs, Shawls, Ribbons, Lace, etc. Nearly all of these goods have fallen in export value. They are all included under the head of Value, above.

† Not recorded by Quantity before 1884.

Table 233 shows that the value of silk exports was £8·24 per 100 of population during 1880-1889, and £4·43 during 1901-1910.

Broad piece goods of silk, etc., have risen during recent years relatively to population, and silk yarn, etc., has also risen.

During 1880-1889 the value of silk exports paid for £8·9

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per £1000 of our special imports, and during 1901-1910 for £3·8 per £1000.

TABLE 233.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—SILK. *Yearly Averages during each Decade.* SEE TABLE 232

POPULATION TEST, A; AND PAYING-POWER TEST, B.

Decade.	Value Per 100 of Population.	Quantity. [†] Per 100 of Population.		Paying-Power Test.
	Silk Manufactures, Yarn, etc. A.	Broad Piece Goods of Silk, and of Silk mixed with other Materials. A.	Silk Yarn, and Silk Thrown and Twist. A.	Value per £1000 of Special Imports in Table 41. B.
	£	Yards.	Lbs	£
1880—1889	8·24	20·4		8·9
1881—1890	8·18	21·2		8·9
1882—1891	7·75	20·8		8·4
1883—1892	7·27	20·2	...	7·9
1884—1893	6·88	19·6	1·84	7·6
1885—1894	6·49	18·6	1·86	7·2
1886—1895	6·27	19·1	1·92	6·9
1887—1896	5·96	19·0	1·96	6·5
1888—1897	5·60	19·1	1·97	6·0
1889—1898	5·24	19·1	2·10	5·5
1890—1899	4·93	19·0	2·18	5·1
1891—1900	4·72	19·0	2·25	4·8
1892—1901	4·54	19·5	2·16	4·6
1893—1902	4·41	20·2	2·13	4·4
1894—1903	4·32	20·9	2·10	4·2
1895—1904	4·35	21·9	2·03	4·1
1896—1905	4·36	22·8	2·05	4·1
1897—1906	4·44	23·9	2·06	4·1
1898—1907	4·59	25·0	2·13	4·1
1899—1908	4·50	24·8	2·05	4·0
1900—1909	4·43	24·6	2·06	3·9
1901—1910	4·43	24·7	2·10	3·8

[†] Many Silk Goods are not recorded by Quantity. See Note to Table 232.

Special exports of silk manufactures, etc., have largely fallen, in actual value, in their value relatively to population, and as a payer for our special imports.

We have now examined each of the twelve principal articles of our special export trade in Class III.—Articles wholly or mainly Manufactured. Before summing up the results for

Class III., we will look at the facts for exports of the "Chemicals" group, which, as stated in the note to Table 234, cannot be shown for years earlier than 1891. This group is made up of chemicals, drugs, dyes, and colours. It includes

TABLE 234.—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910.—CHEMICALS.* *Yearly Averages during each Decade.*

Decade.	Value.	Quantity.	Per 100 of Population.		Paying-Power Test. Value per £1000 of Special Imports in Table 41.
			Value.	Quantity.	
	Million £.		£		£
1880—1889	...				
1881—1890	..				...
1882—1891	..				...
1883—1892	..		...		...
1884—1893	...		...		...
1885—1894	..		..		..
1886—1895	...		..		..
1887—1896	..		..		..
1888—1897	..		..		..
1889—1898	..		..		..
1890—1899	..	Cannot be stated	...	Cannot be stated	...
1891—1900	11·8	A large and continuous Rise	30	A Rise	31
1892—1901	11·8		30		30
1893—1902	12·0		30		30
1894—1903	12·2		30		29
1895—1904	12·4		30		29
1896—1905	12·7		31		29
1897—1906	13·1		31		29
1898—1907	13·6		32		29
1899—1908	14·1		33		29
1900—1909	14·5		34		29
1901—1910	15·1		35		30

* This group is made up of many different exports classed by the Board of Trade in one group from 1891 onwards. The facts cannot be stated before 1891. This group is not the same as "Chemical Products and Dye-Stuffs," shown in earlier issues of this book, from the year 1880 onwards. The latter classification has been abandoned by the Board of Trade.

a multitude of items, such as bleaching materials, coal products, sulphates, dye stuffs, glycerine, manure, medicines, painters' colours, soda compounds, acids, etc.; and this group, "Chemicals," is not the same as "Chemical Products and Dyes" included in the former editions of this book. The

latter grouping has been abandoned in the recent Statistical Abstracts, and the present larger group, "Chemicals," is not recorded for years earlier than 1891.

CHEMICALS, Table 234 :—The value of exports of chemicals largely increased: from 11·8 million £ yearly during 1891-1900 to 15·1 million £ during 1901-1910. This item of our manufactured exports in Class III. also increased relatively to population. The growth was from £30 to £35 per 100 of our population; and the paying-power was nearly maintained. See Table 234.

Thus the group "Chemicals" has been more vigorous than our other manufactured exports, with the exception of machinery, and perhaps of apparel; for chemicals have increased in actual value and also relatively to our population, and the fall in paying-power is not nearly so great as in our staple manufacturing industries, such as cotton, iron and steel, wool, etc.

We may now examine Coal exports, the predominant item in Class II.

COAL, Table 235 :—The rise in the value of coal exports was from 10·5 million £ yearly during 1880-1889 to 32·8 million £ yearly during 1901-1910: a great increase of 22·3 million £ *yearly* during 1901-1910, or of 223 million £ during the whole decade.

In quantity, coal exports rose from 23·3 million tons yearly to 55·2 million tons yearly: an increase of 319 million tons during the whole decade 1901-1910, or of 31·9 million tons *yearly*.

Relatively to population, the value of coal exports rose from £29·3 per 100 of population during 1880-1889 to £75·5 per 100 of population during 1901-1910.

The quantity of exported coal rose from 64·9 tons per 100 of population during 1880-1889 to 127·1 tons during 1901-1910—see Table 235.

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During 1880-1889 coal exports paid for £32 per £1000 of our special imports, and during 1901-1910 for £65 per £1000 of our special imports.

TABLE 235—UNITED KINGDOM: PRINCIPAL SPECIAL EXPORTS, 1880-1910—COAL⁺ *Yearly Averages during each Decade.*

Decade	Value.	Quantity.	Per 100 of Population.		Paying-Power Test Value per £1000 of Special Imports in Table 41.
			Value.	Quantity.	
	Million £	Million Tons	£	Tons	£
1880—1889	10.5	23.3	29.3	64.9	32
1881—1890	11.6	24.4	32.0	67.6	35
1882—1891	12.6	25.6	34.5	70.2	37
1883—1892	13.3	26.6	36.2	72.2	39
1884—1893	13.7	27.2	36.9	73.3	41
1885—1894	14.3	28.1	38.3	75.3	42
1886—1895	14.8	29.1	39.2	77.1	43
1887—1896	15.3	30.2	40.3	79.3	44
1888—1897	16.0	31.4	41.7	81.9	44
1889—1898	16.7	32.4	43.0	83.6	45
1890—1899	17.5	33.8	44.8	86.5	47
1891—1900	19.5	35.4	49.3	89.7	51
1892—1901	20.6	36.7	51.7	92.1	52
1893—1902	21.7	38.1	53.9	94.8	54
1894—1903	23.0	39.9	56.6	98.2	55
1895—1904	23.9	41.4	58.4	100.9	56
1896—1905	25.0	43.0	60.4	104.0	57
1897—1906	26.6	45.4	63.7	108.6	58
1898—1907	29.2	48.3	69.1	114.4	62
1899—1908	31.5	51.1	73.9	119.9	65
1900—1909	32.9	53.4	76.5	124.0	67
1901—1910	32.8	55.2	75.5	127.1	65

Not including "bunker coal," i.e., coal shipped for the use of steamships engaged in the Foreign Trade.

Exports of coal have increased enormously—in actual value, in actual quantity, and also relatively to our population and as a payer for our special imports of all kinds. This article is by far the most progressive of all the goods we export. Coal has progressed much more even than Machinery, which stands out in Class III., exports of Manufactured Goods, as an example of vigorous export trade, in contrast with such leading items as

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cotton, iron and steel, woollen and worsted manufactures, and the smaller articles, each separately dealt with in this chapter.

With Table 235 before us, it is easy to understand that, as the census results have disclosed, there has been a large increase in the coal-mining occupation, concurrently with a loss of occupation in many of our leading manufacturing industries. See Chapter I.

We may now sum up the foregoing results relating to the twelve principal articles of our Manufactured special exports, Class III.

TABLE 236.—UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL AND OTHER ARTICLES IN CLASS III. (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade*

Decade.	The Twelve Principal Articles in Class III.*	All other Articles in Class III.†	Total of Class III † <i>See Table 209, Column C.</i>
	Million £.	Million £	Million £.
1880—1889	166	36	202
1881—1890	167	37	204
1882—1891	167	38	205
1883—1892	165	38	203
1884—1893	163	37	200
1885—1894	161	37	198
1886—1895	161	38	199
1887—1896	162	39	201
1888—1897	161	40	201
1889—1898	160	40	200
1890—1899	159	40	199
1891—1900	158	41	199
1892—1901	158	41	199
1893—1902	160	42	202
1894—1903	163	43	206
1895—1904	167	45	212
1896—1905	173	46	219
1897—1906	180	48	228
1898—1907	190	52	242
1899—1908	197	54	251
1900—1909	203	56	259
1901—1910	211	60	271

* These Twelve Leading Articles cover 80 per cent. of the value of All Special Exports in Class III. during 1880-1910.

† Excluding ships, not recorded until 1899. Including Chemicals, Table 234.

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Table 236 relates to Class III., special exports of Manufactured Articles.

The twelve principal articles in Class III. are shown as one whole, and all the rest of Class III. as one whole.

TABLE 237.—UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL AND OTHER ARTICLES IN CLASS III (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910 *Yearly Averages during each Decade.*

POPULATION TEST.

Decade.	Value. Per 100 of Population.		
	The Twelve Principal Articles in Class III.*	All other Articles in Class III.†	Total of Class III. | <i>See Table 209, Column F.</i>
	£	£	£
1880—1889	462	100	562
1881—1890	463	102	565
1882—1891	459	103	562
1883—1892	449	103	552
1884—1893	439	102	541
1885—1894	430	100	530
1886—1895	426	101	527
1887—1896	425	102	527
1888—1897	420	104	524
1889—1898	413	104	517
1890—1899	407	103	510
1891—1900	401	103	504
1892—1901	396	104	500
1893—1902	397	105	502
1894—1903	401	107	508
1895—1904	408	110	518
1896—1905	418	112	530
1897—1906	430	117	547
1898—1907	451	122	573
1899—1908	463	126	589
1900—1909	472	131	603
1901—1910	486	137	623

* Of these Twelve Principal Articles, seven fell and five rose. The five that rose are Cotton, Iron and Steel, Machinery, Apparel, Leather. The Twelve Principal Articles cover 80 per cent. of the value of All Special Export in Class III. during 1880-1910.

† Excluding ships, not recorded until 1899. Including Chemicals, Table 234.

During the greater part of Table 236 there was a fall in the value of the twelve principal manufactured articles, and the

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recent rise has not been adequate to make up for the prolonged fall.

All other articles in Class III., the smaller manufactured articles, rose nearly continuously.

In the whole of Class III., Table 236, the prolonged stagnation was followed by a rise. Here also this rise has been inadequate to make good past losses of export trade in Class III. Moreover, the results in Table 236 do not take into the account the growth of our population since 1880.

Table 237 shows the export trade in Class III., manufactured articles, relatively to population. There has been a large fall in the twelve principal articles taken as one whole: from £462 per 100 of population during 1880-1889 to £396 during 1892-1901, and the recent rise to £486 has not made up for the prolonged fall.

The smaller group of Class III. has risen nearly continuously. The value was £100 per 100 of population during 1880-1889, and £137 per 100 of population during 1901-1910.

The value of exports in the whole of Class III., Table 237, rose from £562 per 100 of population during 1880-1889 to £623 per 100 of population during 1901-1910. But there was a prolonged intervening fall that has not been made good by the recent rise.

In Table 238 we have a summary of the Paying-Power Test, which in the foregoing tables has been applied to each of the leading articles of our export trade in manufactured goods.

We see at once that the twelve principal articles largely failed to keep their place as payers in part for our special imports of all kinds. During the first decade this group of twelve articles paid for £500 per £1000 of our special imports, and during the last decade, for £418 per £1000—a heavy fall, and which has occurred despite the recent years of much increased export trade.

The smaller group in Table 238, which represents approximately 20 per cent. of all our exports in Class

III., Manufactured Goods, shows a much better result than the group made up of our twelve principal manu-

TABLE 238 — UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL AND OTHER ARTICLES IN CLASS III (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade*

PAYING-POWER TEST.

Decade.	Value per £1000 of Special Imports in Table 41.		
	The Twelve Principal Articles in Class III.*	All other Articles in Class III.†	Total of Class III. <i>See Table 210, Column D</i>
	£	£	£
1880—1889	†500	109	609
1881—1890	505	111	616
1882—1891	498	112	610
1883—1892	490	112	602
1884—1893	485	112	597
1885—1894	476	110	586
1886—1895	469	112	581
1887—1896	460	111	571
1888—1897	447	111	558
1889—1898	433	109	542
1890—1899	425	107	532
1891—1900	410	106	516
1892—1901	402	104	506
1893—1902	395	105	500
1894—1903	392	104	496
1895—1904	390	104	494
1896—1905	391	105	496
1897—1906	394	106	†500
1898—1907	403	109	512
1899—1908	408	112	520
1900—1909	411	114	525
1901—1910	418	118	536

* Of these Twelve Principal Articles, eleven fell and one rose. The one that rose was Machinery.

† Observe that in the decade 1880-1889 these Twelve Principal Manufactured Exports paid for £500 per £1000 of our Special Imports of all kinds; and that in the decade 1897-1906 the whole of Class III. paid for only £500 per £1000 of our Special Imports.

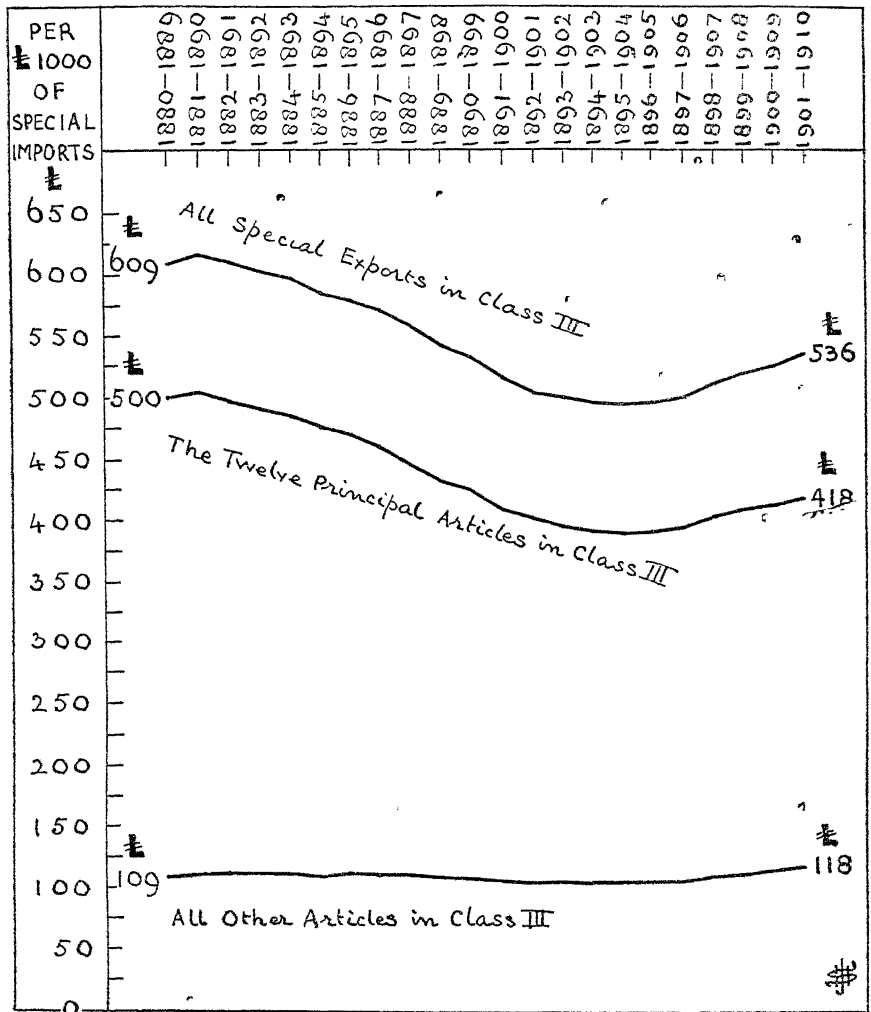
‡ Excluding ships, not recorded until 1899. Including Chemicals, Table 234.

Observe that the loss in paying-power was much greater in the group of Twelve Principal Articles than in the group All Other Articles in Class III., where the intervening fall was not large.

factured articles; for the articles in this smaller group have, as a whole, maintained their power to pay in part for our special imports of all kinds. Chemicals, Table 234,

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DIAGRAM LXXXV.—SEE TABLE 238. UNITED KINGDOM: SHOWING THE PAYING-POWER, PER £1000 OF SPECIAL IMPORTS OF ALL KINDS, OF ALL SPECIAL EXPORTS IN CLASS III., MANUFACTURED GOODS; OF THE TWELVE PRINCIPAL ARTICLES IN CLASS III.; AND OF ALL OTHER ARTICLES IN CLASS III., 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Paying-Power of the Twelve Principal Manufactured Exports fell from £500 to £418 per £1000 of our special imports of all kinds. The Paying-Power of All Other Articles in Class III., special exports of Manufactured Goods, rose from £109 to £118 per £1000. Thus, the failure in paying-power has occurred in the group Twelve Principal Articles, and not in the small articles of special exports in Class III., Manufactured Goods. Note this important result.

form an important item in this smaller group, which, in addition to all the many chemical items already enumerated, is made up of brass goods, clocks and watches, surgical and other instruments, electrical goods, furniture, haberdashery, embroidery, hats and bonnets, paper, arms and ammunition, bags and sacks, blacking, brooms, candles, carriages and carts, cattle foods, cement, cloth cuttings, cordage, fishing-tackle, artificial flowers, glue, jewellery, matches, mats, oil-cloth, perfumery, pictures, skins, soap, stationery, toys, umbrellas, etc., etc. These small goods have kept their position much better than our Twelve Leading Articles. The latter have largely failed to maintain their position.

And looking at the last column of Table 238, which relates to the whole of our special exports in Class III., Manufactured Goods, we see a large fall, with some recovery caused by the recent advance of our export trade. But that advance has been largely inadequate to restore to this most important section of our commerce its former power to pay in part for our special imports of all kinds.

These special exports in Class III. are the most important section of our export trade, for they represent our exports of manufactured goods, upon which the employment of our population depends more largely than upon any other class of our export trade. Moreover, the value of the exports in Class III. was no less than 83 per cent. of the value of all our special export trade during 1880-1910; and it is this Class III., Manufactured Goods, that has so signally failed to keep its place, whether we apply the test of population, or the test of paying for imports. Of all our exports, these are the exports upon which we mainly rely to pay for our special imports of all kinds. The fall in the Twelve Principal Articles, Table 238, is most notable.

In Table 239 we have a full summary for each of the Twelve Principal Articles of our special export trade in manufactured goods, as regards the value of these exports per 100 of the population of the United Kingdom.

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TABLE 239. — UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL ARTICLES IN CLASS III. (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade* SEE TABLES 212, 213, 216, 218, 220, 222, 223, 225, 227, 228, 230, 231, 233 INCLUDING ALSO NET IMPORTS OF RAW COTTON.

POPULATION TEST.

(Continued on the next page.)

PER 100 OF THE POPULATION OF THE UNITED KINGDOM.							
Decade.	Net Imports of Raw Cotton	Cotton	Iron and Steel	Woollen and Worsted.	Machinery	Linen	Apparel
	Cwts.	£	£	£	£	£	£
1880—1889	36.6	203	74	69	33	18.2	11.2
1881—1890	36.8	201	74	69	35	18.0	11.6
1882—1891	37.2	198	73	69	36	17.5	11.9
1883—1892	37.2	193	70	69	36	17.1	12.0
1884—1893	36.1	188	67	69	36	16.8	12.1
1885—1894	35.9	185	65	67	36	16.4	12.1
1886—1895	36.4	182	64	67	37	16.4	12.1
1887—1896	36.1	181	64	67	38	16.2	12.3
1888—1897	35.8	178	63	66	40	15.9	12.5
1889—1898	36.7	174	61	65	41	15.4	12.3
1890—1899	35.6	172	60	63	41	15.1	12.1
1891—1900	35.1	169	60	62	42	14.9	12.1
1892—1901	34.3	168	59	60	42	14.7	12.1
1893—1902	34.0	168	60	59	42	14.7	12.3
1894—1903	34.3	169	62	59	44	14.7	12.7
1895—1904	34.4	171	64	59	45	14.8	12.7
1896—1905	34.9	177	66	59	46	14.9	12.7
1897—1906	34.8	182	69	60	48	15.2	12.6
1898—1907	35.7	191	74	62	51	15.7	13.6
1899—1908	35.1	196	77	63	54	15.9	12.6
1900—1909	35.9	201	78	64	55	16.4	12.7
1901—1910	35.9	207	80	66	57	16.9	13.0

Note.—The recent rise in Cotton Exports is appreciably due to the increase in the price of Raw Cotton Imported. See Table 213. It is not due to a corresponding increase in the Quantity of Raw Cotton used. See the first column of the above table. It is estimated that 80 per cent. of the Net Imports of Raw Cotton is used in our Export Trade. The Cotton values above are the full values as in Table 212. No deduction has been made on account of the Raw Cotton contained in our Cotton Exports. See Table 214.

TABLE 239—*continued*.—UNITED KINGDOM. A SUMMARY RELATING TO THE TWELVE PRINCIPAL ARTICLES IN CLASS III. (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade*. SEE TABLES 212, 213, 216, 218, 220, 222, 223, 225, 227, 228, 230, 231, 233. INCLUDING ALSO NET IMPORTS OF RAW COTTON

POPULATION TEST.

(Continued from the preceding page.)

PER 100 OF THE POPULATION OF THE UNITED KINGDOM						
Decade	Leather.	Earthenware and Glass	Copper	Jute.	Hardware and Cutlery	Silk
1880—1889	10.9	9.3	8.9	7.1	9.2	8.2
1881—1890	11.1	9.3	9.2	7.1	9.0	8.2
1882—1891	11.1	9.3	9.2	7.2	8.5	7.7
1883—1892	10.8	9.1	9.2	7.2	7.9	7.3
1884—1893	10.7	8.8	9.0	7.1	7.4	6.9
1885—1894	10.5	8.6	8.6	6.9	7.0	6.5
1886—1895	10.4	8.5	8.5	6.9	6.7	6.3
1887—1896	10.4	8.4	8.4	7.0	6.4	6.0
1888—1897	10.3	8.3	8.3	7.1	6.1	5.6
1889—1898	10.1	8.1	8.1	7.0	5.8	5.2
1890—1899	9.9	7.9	8.2	6.7	5.5	4.9
1891—1900	9.8	7.8	7.7	6.5	5.3	4.7
1892—1901	9.6	7.6	7.5	6.4	5.1	4.5
1893—1902	9.7	7.6	7.2	6.2	5.1	4.4
1894—1903	9.9	7.7	7.3	6.1	5.1	4.3
1895—1904	10.1	7.8	7.4	6.1	5.1	4.3
1896—1905	10.4	7.8	7.6	6.0	5.1	4.4
1897—1906	10.9	7.9	7.8	6.1	5.1	4.4
1898—1907	11.4	8.2	8.3	6.4	5.1	4.6
1899—1908	11.8	8.4	8.4	6.4	5.1	4.5
1900—1909	12.4	8.4	8.1	6.5	5.0	4.4
1901—1910	13.1	8.7	8.1	6.5	4.9	4.4

Note.—It is important to bear in mind that the recent increases in most of these Principal Export Articles in Table 239 were increases from a weak or declining position; they were not increases from a progressive condition. Machinery is a notable exception, for this item has been progressive throughout the whole period. Also, many of these so-called "British Exports of Manufactured Goods" contain a large and probably an increasing proportion of foreign-made goods exported by us under the head of "British" goods.

For Cotton, the full value has been given as in Table 212, although as Table 214 shows, this value is much and artificially inflated.

Machinery is a notable exception to the course of trade generally disclosed in Table 239. Exports of Machinery have been vigorous throughout the whole period, and have more than kept pace with the growth of our population. Apparel has also fairly maintained its position. But in all the other items of Table 239, we see a prolonged and usually large fall throughout the greater part of the period, followed in some instances by a recent rise. This recent rise is but slight compensation for the prolonged loss of sales during the greater part of the period. Moreover, it is a rise from a weak and declining condition. It is not, as in machinery, a rise from a normally progressive condition. The common habit of ignoring the latter consideration, or of being ignorant of it, has caused the recent rise in our export trade to have distorted the public mind as to the real condition of our export trade. And this quite apart from the fact, fully demonstrated in Chapter I., that whether our export trade rise or fall it affords no indication whatever of the condition of our home production and home industries. It is remarkable that there should still be so much misconception upon this matter. When the foreign trade returns for 1910 were published early in the year 1911, various more or less prominent persons unhesitatingly asserted that these returns proved, without any doubt whatever, the generally prosperous condition of the whole trade and industries of this country. Whereas, and as Chapter I. proves clearly, there is ample evidence to show that simultaneously with the recent rise in our foreign commerce there has been non-prosperity in our home production and general industries. The latter have a value as a wage-provider not less than five or six times as great as the value of our export trade as a wage-provider. And quite apart from the evidence in Chapter I., it seems short-sighted to infer a sure prosperity in the big home trade and

production merely because the much smaller export trade has advanced.

Now look at Table 240. Here we have a full summary for each article, as regards its power to pay for our special imports of all kinds.

Machinery is again the exception to the general result disclosed. Machinery has fully maintained its power to pay its share of our special imports of all kinds.

In the eleven other articles of manufactured exports, there was generally a large fall, with in some instances a partial recovery during recent years. Cotton is here taken at its full nominal value as in Table 212, although, as Table 214 shows, this value is much inflated—for the reason there given.

Apparel has nearly kept its position as a payer for our imports. And the fall in leather is not large.

But in our staple export articles, such as cotton, iron and steel, woollen and worsted, the fall has been great. These and many of the other articles in Table 240 have wholly failed to maintain their former power to pay in part for our special imports of all kinds.

When we look at Table 240, and then call to mind the economic theory that imports must always and in all circumstances be paid for by exports, when we remember the theoretic dictum (not based upon the observance of fact) that no matter how much our imports may increase, they are and must be automatically paid for by British-labour-employing exports, we may begin to understand that if any real knowledge is to be gained in political economy, it is to be gained only by the method common to all other departments of human knowledge—namely, by the observing of facts. No knowledge is to be gained in political economy, or in anything else, by the mere brain-spinning of theories. The latter was the pre-Baconian method, and it still survives in our academic political economy. Table 240 is a useful comment upon some leading economic theories.

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TABLE 240. — UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL ARTICLES IN CLASS III (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade.* SEE TABLES 212, 216, 218, 220, 222, 223, 225, 227, 228, 230, 231, 233

PAYING-POWER TEST.

(Continued on the next page)

VALUE PER £1000 OF SPECIAL IMPORTS IN TABLE 41.						
Decade	Cotton	Iron and Steel.	Woolen and Worsted.	Machinery.	Linon.	Apparel.
1880—1889	£ 220	£ 80	£ 74	£ 36	£ 20	£ 12
1881—1890	219	81	76	38	20	13
1882—1891	214	80	75	39	19	13
1883—1892	211	76	75	40	19	13
1884—1893	208	74	76	40	19	13
1885—1894	205	72	74	40	18	13
1886—1895	201	70	74	41	18	13
1887—1896	196	69	72	42	18	13
1888—1897	189	67	70	42	17	13
1889—1898	183	64	68	43	16	13
1890—1899	179	63	66	43	16	13
1891—1900	173	61	63	42	15	12
1892—1901	170	60	61	42	15	12
1893—1902	167	60	59	42	15	12
1894—1903	165	60	58	43	14	12
1895—1904	164	61	57	43	14	12
1896—1905	165	62	56	44	14	12
1897—1906	167	63	55	44	14	12
1898—1907	171	66	55	46	14	11
1899—1908	173	68	55	47	14	11
1900—1909	175	68	55	48	14	11
1901—1910	178	69	57	49	14	11

Note.—During the first decade, our Special Exports of Manufactured Cotton Goods paid for £220 per £1000 of our Special Imports of all kinds; during the last decade, Cotton Goods Exported paid for only £178 per £1000 of our Special Imports of all kinds. These are the full Cotton values as in Table 212.

We rely largely upon our Special Exports of all kinds to pay for our Special Imports of all kinds. The twelve principal manufactured exports in this Table represented, during 1880-1910, 80 per cent. of our exports of Manufactured Goods, and 66 per cent. of our

TABLE 240—*continued*.—UNITED KINGDOM: A SUMMARY RELATING TO THE TWELVE PRINCIPAL ARTICLES IN CLASS III. (MANUFACTURED GOODS) OF THE SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade*. SEE TABLES 212, 216, 218, 220, 222, 223, 225, 227, 228, 230, 231, 233

PAYING-POWER TEST.

(Continued from the preceding page.)

VALUE PER £1000 OF SPECIAL IMPORTS IN TABLE 41						
Decade.	Leather	Earthenware and Glass	Copper	Jute	Hardware and Cutlery.	Silk
1880—1889	£ 11.8	£ 10.1	£ 9.6	£ 7.7	£ 10.0	£ 8.9
1881—1890	12.1	10.2	10.0	7.8	9.8	8.9
1882—1891	12.0	10.0	10.0	7.8	9.3	8.4
1883—1892	11.8	9.9	10.1	7.8	8.6	7.9
1884—1893	11.8	9.7	10.0	7.8	8.2	7.6
1885—1894	11.6	9.5	9.5	7.6	7.7	7.2
1886—1895	11.4	9.3	9.3	7.6	7.3	6.9
1887—1896	11.2	9.1	9.1	7.6	6.9	6.5
1888—1897	11.0	8.8	8.8	7.5	6.5	6.0
1889—1898	10.6	8.5	8.5	7.3	6.1	5.5
1890—1899	10.4	8.2	8.5	7.0	5.8	5.1
1891—1900	10.0	7.9	7.9	6.6	5.4	4.8
1892—1901	9.8	7.7	7.6	6.4	5.2	4.6
1893—1902	9.7	7.6	7.2	6.2	5.1	4.4
1894—1903	9.6	7.5	7.1	6.0	5.0	4.2
1895—1904	9.6	7.4	7.1	5.8	4.9	4.1
1896—1905	9.8	7.3	7.1	5.6	4.8	4.1
1897—1906	10.0	7.3	7.1	5.6	4.6	4.1
1898—1907	10.2	7.3	7.4	5.7	4.6	4.1
1899—1908	10.4	7.4	7.4	5.7	4.5	4.0
1900—1909	10.8	7.4	7.0	5.6	4.3	3.9
1901—1910	11.3	7.4	7.0	5.6	4.2	3.8

Special Exports of all kinds But, as we see above, this important section of our Special Export Trade has, in nearly every item of it, materially declined in its power to pay its share of our Special Imports of all kinds. Machinery is a notable exception. As our special imports are made up increasingly of foreign manufactured goods, it is especially unsatisfactory to find that our so-called British Manufactured Goods exported have largely failed in their power to pay for our Special Imports of all kinds.

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But it may here be said :—“Granted that the manufactured articles in Table 240 have failed in their power to pay for imports, nevertheless our other exports have made good the deficiency.” We will examine this matter.

In Table 241 we have the whole of our special export trade arranged in its various classes, for the purpose of ascertaining to what extent each class has maintained its power to pay for our Special Imports. These classes of special export trade are :—

Class I.—Food, Drink, and Tobacco.

Class II.—Raw Materials, and Articles mainly Unmanufactured.

Class III.—Articles wholly or mainly Manufactured.

Class IV.—Miscellaneous and Unclassified Articles.

Column A of Table 241 relates to all our exports in Class III., Manufactured Goods. Observe the large fall in the paying-power of these industries. During 1880-1889 these articles of export paid for £609 per £1000 of our special imports; during 1901-1910 they paid for only ~~£536~~ per £1000 of our special imports, despite all the recent “boom” years of trade.

Contrasted with this large fall in the paying-power of our exports of manufactured articles, we see in column B of Table 241 a large and continuous rise in the paying-power of our exports of non-manufactured goods.

During 1880-1889 these non-manufactured exports paid for £86 per £1000 of our special imports, and during 1901-1910 for £136 per £1000.

Comparison of Columns A and B of Table 241 shows the change that has occurred with regard to how our special imports have been partly paid for. During 1880-1889, £609 per £1000 of our special imports were paid for by special exports of manufactured goods, and £86 per £1000 by special exports of articles in Classes I., II., IV., raw materials, etc.

But during 1901-1910 only £536 per £1000 of our special imports were paid for by our exports in Class III., and no less

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than £136 per £1000 by exports in Classes I., II., IV. But no warning of this salient change in the *quality* of our export trade is ever officially put before the public.

The meaning of this well-defined change in the character of our special export trade is that, relatively, our exports are becoming more and more exports of raw material, and less and less exports of manufactured goods. Simultaneously we are importing manufactured goods in steadily increasing volume and proportion.

Column C of Table 241 shows how much of our special imports was paid for by all our special exports. During 1880-1889 our special exports paid for £695 per £1000 of our special imports; during 1901-1910 our special exports paid for only £672 per £1000 of our special imports. There has been a much larger intervening fall in the paying-power of our special exports of all kinds. Here we are giving full effect to all the recent years of greatly increased foreign trade.

Thus the corollary necessarily follows that the proportion of our special imports not paid for by our special exports has largely and continuously increased—see column D of Table 241. During 1880-1889, £305 per £1000 of our special imports were not paid for by our special exports; during 1901-1910, £328 of our special imports were not paid for by our special exports, with a much larger intervening fall.*

Table 241 proves incontestably that our special export trade, and notably our special export trade in manufactured goods, has largely failed to keep its place as a payer for our special imports—as a payer for our imports for home consumption.

An important feature of our export trade in manufactured goods is that, owing to the large increase in imports, our “British and Irish Exports” (special exports) of manufactured goods do not now represent as much British labour and wages, per £100 of these goods exported, as in former years. This feature is commonly overlooked.

* See Chapter V. as regards the paying for some of our imports by “invisible exports.”

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TABLE 241.—UNITED KINGDOM. SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL IMPORTS IN TABLE 41, CHAPTER II, WAS PAID FOR BY SPECIAL EXPORTS IN THE VARIOUS CLASSES OF OUR SPECIAL EXPORT TRADE, 1880-1910. *Yearly Averages during each Decade.*

PAYING-POWER TEST.

Decade.	Value per £1000 of Special Imports in Table 41.				
	Of Special Exports.*			Special Imports Not Paid for by Special Exports.	Total Special Imports; paid for by Special Exports, and not so paid for.. (C-D.)
	In Class III. Manufactured Goods	In Classes I, II., and IV. Non-Manufactured Goods.†	All Special Exports (A+B.)		
	A.	B.	C.	D.	E.
	£	£	£	£	£
1880—1889	609	86	695	305	1000
1881—1890	616	90	706	294	1000
1882—1891	610	92	702	298	1000
1883—1892	602	93	695	305	1000
1884—1893	597	95	692	308	1000
1885—1894	586	96	682	318	1000
1886—1895	581	96	677	323	1000
1887—1896	571	96	667	333	1000
1888—1897	558	96	654	346	1000
1889—1898	542	96	638	362	1000
1890—1899	532	98	630	370	1000
1891—1900	516	102	618	382	1000
1892—1901	506	105	611	389	1000
1893—1902	500	108	608	392	1000
1894—1903	496	110	606	394	1000
1895—1904	494	112	606	394	1000
1896—1905	496	115	611	389	1000
1897—1906	500	120	620	380	1000
1898—1907	512	125	637	363	1000
1899—1908	520	131	651	349	1000
1900—1909	525	135	660	340	1000
1901—1910	536	136	672	328	1000

* Excluding ships.

Special Exports, Class I., relate to Food, Drink, Tobacco.

" " II. " Raw Materials, etc.

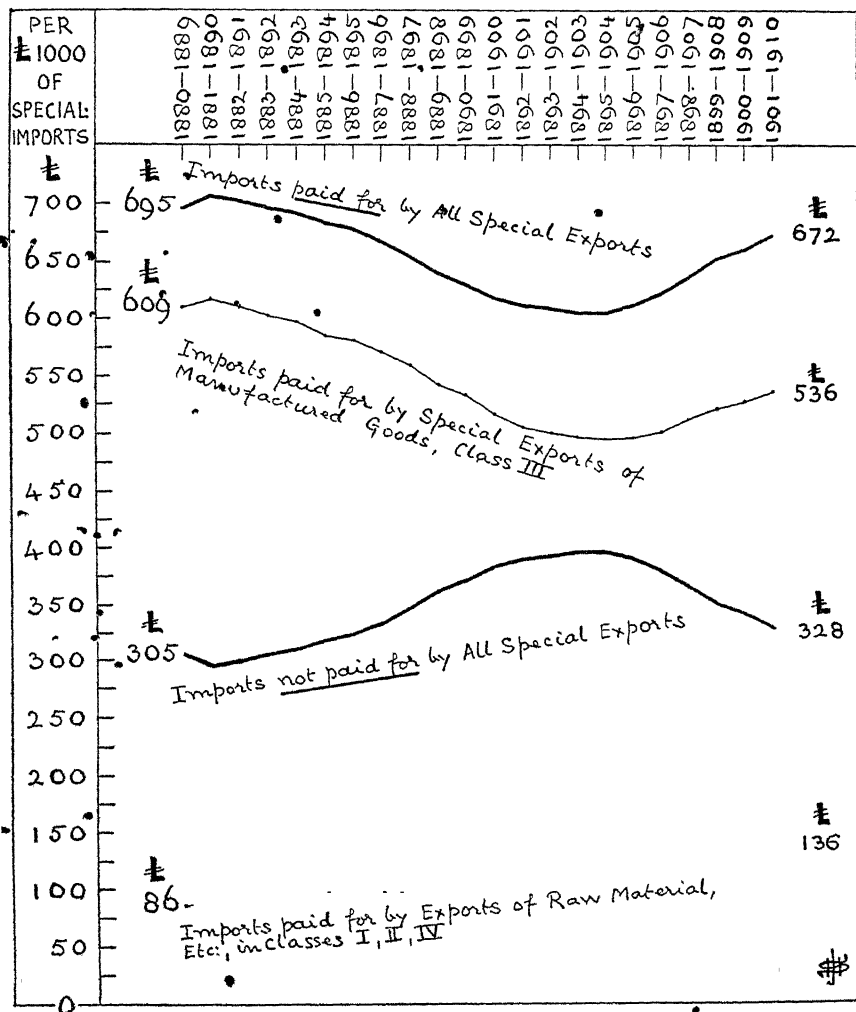
" " III. " Manufactured Articles.

" " IV. " Miscellaneous Articles (trivial).

† Class II., Raw Materials, largely predominates in this group; and Coal largely predominates in Class III.

Observe the large Fall in the Paying-Power of our exports in Class III., Manufactured Goods, and the large Rise in the Paying-Power of our exports in Classes I., II., IV. Observe also the large Fall in the Paying-Power of our Total Special Exports in column C.

DIAGRAM LXXXVI—SEE TABLE 241. UNITED KINGDOM: SHOWING HOW MUCH OF EVERY £1000 OF SPECIAL IMPORTS IN TABLE 41 WAS PAID FOR AND NOT PAID FOR BY SPECIAL EXPORTS; SHOWING ALSO THE PAYING-POWER, PER £1000 OF SPECIAL IMPORTS, OF VARIOUS CLASSES OF SPECIAL EXPORTS, 1880-1910 *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Paying-Power of our Special Exports of all kinds, per £1000 of our Special Imports of all kinds, fell from £695 to £672. Special Imports left unpaid for by Special Exports increased from £305 to £328 per £1000 of Special Imports. Observe the large fall in the Paying-Power of our Special Exports in Class III, Manufactured Goods; and the large rise in the Paying-Power of our Special Exports in Classes I, II., IV., Raw Material, etc.

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It is not possible to state the extent by which British labour and wages, per £100 of our special exports of manufactured goods, have been lessened; but one or two illustrative examples may be given.

There is manufactured in Birmingham a large quantity of waterproof packing-paper used for wrapping merchandise intended to be sent by sea. This packing consists of brown paper coated with stearine pitch to make it waterproof, and stiffened with a layer of cotton webbing. Until lately, the manufacturer bought the paper, the pitch, and the webbing from English manufacturers of these three things. When he was so buying his three ingredients, £100 of this product, waterproof packing-paper, less cost of raw material, represented wages of British workmen and profits of British manufacturers. Now, this Birmingham manufacturer has to import from abroad all his three ingredients, paper, pitch, webbing, in place of buying them from British manufacturers; and it follows that £100 of his waterproof packing-paper now represents mainly wages of foreign workmen, and profits of foreign manufacturers of brown paper, pitch, and webbing. But in the Board of Trade returns this £100 of waterproof packing-paper is still entered as £100 of exports of British manufactured goods.

The foregoing illustration, although relatively unimportant, serves the purpose of the straw which shows which way the wind blows; and the same sort of transference from British to foreign labour is going on in more important branches of our special export trade in "British" manufactured goods. Here is another instance that can be cited. A parcel of goods shipped abroad by a linendraper was made up thus:—

INVOICE AND CUSTOMS' DECLARATION

	£	s.	d.
1. Silk Dress	6	10	0
2. Silk Dress	5	5	0
3. Woollen Dress	4	10	0
4. Woollen Dress	4	4	0
5. Boots	1	1	0
6. Boots	0	15	0
7. Shoes	0	12	0
8. Four Pairs of Curtains	6	10	0
Total	<u>£29</u>	<u>7</u>	<u>0</u>

“BRITISH” EXPORTS NOW LESS “BRITISH” 525

All these goods were entered in the Board of Trade returns as special exports of manufactured goods—that is, as exports of British manufactured goods. The actual amount of British work in the above goods is stated in the following analysis :—

	£	s.	d.
1. All the materials of the silk dress were imported. Only the making-up was British work, the value of which was .	0	12	0
2. Materials were imported, with the exception of linings, whose value was .	0	6	0
Making-up was British, value .	0	12	0
3. Materials were imported, with the exception of linings, value .	0	6	0
Making-up was British, value .	0	12	0
4. As in 2 and 3, only the linings and making-up were British	0	18	0
5, 6, 7, Imported			
8. Three pairs imported .			
One pair made in Nottingham .	1	0	0
Total British manufactures in the parcel valued at			
£29, 7s. .	£4	6	0

Thus, this item of “British Manufactures” exported was composed of :—

	£	s.	d.
Goods made abroad .	25	1	0
Goods made in England .	4	6	0
Total .	£29	7	0

The £4, 6s. credited to England includes manufacturers’ and dealers’ profits; and the wages paid to British workpeople amounted to approximately £2, 10s.

These examples serve to show that the £343,023,286 exports of British and Irish produce and manufactures, Class III., “Articles wholly or mainly Manufactured,” in the year 1910, are not really exports of articles made in the United Kingdom and employing only British labour*; and owing to the large increase in imports, these so-called British-manufactured exports represent a smaller amount of British labour than they would have represented in years gone by, before our imports of foreign manufactured and partly manufactured goods had attained their present magnitude.

* See, for example, Tables 214 and 215.

The analysis of our special exports of manufactured goods shown in this chapter takes no account of the qualification of the changing nature of these exports just now illustrated; and no abatement of their recorded value has been made in this respect. But despite this omission, an omission that tends considerably to exaggerate the value of our special exports of manufactured goods as regards British origin, we have seen that these exports have largely failed to keep their position in our foreign commerce.

Although it is not possible to know accurately how much per £100 of special exports of manufactured goods is paid as wages to British workpeople, it is possible to show a comparative statement in this particular which throws light upon this important matter, and which converts our special exports of manufactured goods into labour values.

In Table 242 it is assumed that one-half of the recorded value of our special exports of manufactured goods is paid as wages to British workpeople in the United Kingdom; and it should be noted that this assumption is the same for each decade compared in Table 242. No reduction of this 50 per cent. for wages has been made in the later decades, when as a matter of fact there was a smaller proportion of British wages paid in respect of these exports of "British Manufactured Goods" than was paid during the earlier decades. The reason why this proportion was smaller in the later decades being, as already stated, that an increasing quantity of imports are exported under the name of British Exports of Manufactured Goods, the wages being paid to workmen in foreign countries, not to British workmen in the United Kingdom. Also, no deduction has been made in respect of our Cotton Exports. The full value of these has been taken as in Table 211, although as Table 214 shows, this value is artificially inflated to a large degree.

Bearing in mind these necessary qualifications of the wages results in Table 242, and noting that no reduction of wages has been made in the later decades, we see that nevertheless

EXPORTS FAILED AS A WAGES-PAYER 527

these British exports of manufactured goods have largely failed as a wages-provider for British workmen during the

TABLE 242.—UNITED KINGDOM: SPECIAL EXPORTS IN CLASS III. (ARTICLES WHOLLY OR MAINLY MANUFACTURED), CONVERTED INTO BRITISH LABOUR-VALUES, 1880-1910 *Yearly Averages during each Decade.*

Decade.	Special Exports in Class III. <i>See Table 236.</i>	British Labour included in (a).	
		Yearly British Wages.	Yearly British Wages per 100 of the Population of the United Kingdom.
	(a)	(b)	(c)
	Million £.	Million £.	£
1880—1889	202	101·0	281
1881—1890	204	102·0	282
1882—1891	205	102·5	281
1883—1892	203	101·5	276
1884—1893	200	100·0	270
1885—1894	198	99·0	265
1886—1895	199	99·5	263
1887—1896	201	100·5	263
1888—1897	201	100·5	262
1889—1898	200	100·0	258
1890—1899	199	99·5	255
1891—1900	199	99·5	252
1892—1901	199	99·5	250
1893—1902	202	101·0	251
1894—1903	206	103·0	254
1895—1904	212	106·0	259
1896—1905	219	109·5	265
1897—1906	228	114·0	273
1898—1907	242	121·0	286
1899—1908	251	125·5	294
1900—1909	259	129·5	301
1901—1910	271	135·5	311

Note.—The British wages in columns (b) and (c) are probably over-stated in the more recent periods, for the reason that an increasing proportion of so-called British Manufactured Exports actually consist of foreign imports subsequently exported under the name of British Exports of Manufactured Goods. See the two illustrations given on pages 524-525. Also, the above British wages include the full nominal value of our Cotton Exports as in Table 211, although this value is artificially inflated. See Table 214.

Example.—During the first decade the yearly British wages included in our special exports of Manufactured Goods were £281 per 100 of the population of the United Kingdom. During the last decade these wages had risen to £311, with a large intervening fall.

greater part of the period 1880-1910. During the first decade these exports paid £281 yearly in wages per 100 of our population; and fell to £250 yearly in the decade 1892-1901.

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During the last decade these exports paid in wages £311 yearly per 100 of our population. It is clear that this rise at the end has in no way adequately made good the large and prolonged loss of wages shown in the last column of Table 242.

Also, we have to note that our exports of British manufactured goods include the value of much raw material, as has been mentioned in connection with Table 215. And one-half of these imports of raw material is included as British wages in Table 242, columns (*b*) and (*c*).

Whatever be the test that is applied to our export trade in manufactured goods, we have the clearest evidence that this most important part of our foreign commerce has been in a weak condition for many years, with some recovery in recent years.

Table 243 shows the labour-value contained in our imports of manufactured goods, upon the same basis as in Table 242—namely, that one-half of the value of our imports of manufactured goods is paid in wages to foreign workmen. The most important part of Table 243 is columns (*c*) and (*d*), which show the yearly foreign wages included in our general imports and in our special imports of manufactured goods, per 100 of the population of the United Kingdom. The large rise in these foreign labour values should be compared with the large fall in British labour values in Table 242, column (*c*).

We have now to ascertain what are the Net British Wages in our whole foreign commerce in Class III., Manufactured Goods, upon a principle similar to that used in Chapter VI., where we have seen our Net Exports of Manufactured Goods. In December 1907 the Board of Trade issued a return showing, for the first time officially, our net exports of manufactured goods—White Paper No. 333; and a little reflection will establish the necessity to examine our net British exports and our net British wages contained in those exports, as distinguished from the gross results. Follow these three examples:—

Assume, first, that we import more manufactured goods

INCREASED FOREIGN LABOUR IN OUR IMPORTS 529

for consumption in the United Kingdom than the value of our special exports of manufactured goods. In this case, our

TABLE 243. — UNITED KINGDOM: GENERAL IMPORTS IN CLASS III
(ARTICLES WHOLLY OR MAINLY MANUFACTURED) CONVERTED INTO
LABOUR-VALUES, 1880-1910, ALSO, FOR SPECIAL IMPORTS *Yearly*
Averages during each Decade

Decade.	General Imports in Class III. <i>See Table 104, Chapter VI.</i>	Foreign Labour included in (a).		Yearly Foreign Wages per 100 of the Population of the United Kingdom, included in Special Imports, Class III.
		Yearly Foreign Wages.	Yearly Foreign Wages per 100 of the Population of the United Kingdom.	
	(a)	(b)	(c)	(d)
	Million £.	Million £.	£	£
1880—1889	79	39.5	110	91
1881—1890	81	40.5	111	92
1882—1891	82	41.0	113	93
1883—1892	84	42.0	114	94
1884—1893	85	42.5	114	95
1885—1894	86	43.0	115	96
1886—1895	88	44.0	117	98
1887—1896	91	45.5	119	101
1888—1897	94	47.0	122	104
1889—1898	97	48.5	124	106
1890—1899	100	50.0	127	109
1891—1900	103	51.5	131	113
1892—1901	107	53.5	134	116
1893—1902	112	56.0	139	120
1894—1903	116	58.0	143	123
1895—1904	121	60.5	147	127
1896—1905	125	62.5	151	130
1897—1906	130	65.0	156	133
1898—1907	135	67.5	160	136
1899—1908	138	69.0	162	137
1900—1909	141	70.5	163	138
1901—1910	144	72.0	165	139

Example.—During 1880-1889 the yearly foreign wages included in our general imports of Manufactured Goods were £110 per 100 of the population of the United Kingdom. During 1898-1910 these yearly foreign wages had risen to £165 per 100 of our population.

* These values, relating to Special Imports, have been obtained by the same method as set out in columns (a), (b), (c).

foreign commerce in manufactured goods would yield no net British wages to the population of the United Kingdom, however large our exports might be. Because, by our present

illustrative assumption, our imports of manufactured goods for consumption in the United Kingdom are assumed to exceed the value of our special exports of manufactured goods. Thus the wages earned by our people in making the exports (assumed to be one-half of the value of exports) would be counterbalanced, and more than counterbalanced, by the foreign wages contained in the larger imports of manufactured goods for consumption in the United Kingdom; these imports necessarily depriving our population of the wages-part of these imports, and, as the latter are assumed to be of greater value than our special exports, also depriving our population of a part of the wages contained in goods made for consumption in the United Kingdom.

Assume, for the second illustration, that we import manufactured goods for consumption in the United Kingdom to the same value as our special exports of manufactured goods. In this case also there would be no *net* British wages contained in our foreign commerce in manufactured goods, for the reason already stated. But in this second example there would be no net deprivation of wages to British workmen, caused by our foreign commerce in manufactured goods, so far as concerns the making of goods to supply our home market.

Now take the third illustration. This is not an assumption, but it relates to actual conditions.

We import less manufactured goods for consumption in the United Kingdom than the value of our special exports of manufactured goods. And, upon the previous assumption that the wages contained in manufactured goods are equal to one-half of the value of the latter, our foreign commerce in manufactured goods yields to us a net yearly amount of British wages paid to our workmen. These net British wages are, it will be seen, represented by the excess of British wages contained in British exports of manufactured goods, over the foreign wages contained in our special imports of manufactured goods. And it is necessary for us to ascertain whether these Net British Wages annually yielded by our

foreign commerce in manufactured goods decrease or increase, —see Table 244. For the employment of our population depends upon our home trade plus our foreign commerce; and if the latter is falling off in its net yield of British wages per 100 of our population, we are justified to feel some uneasiness as to the sound economic *quality* of our foreign commerce, however imposing it may look when merely its *quantity* is glanced at.

Columns D and E of Table 244 contain the results which throw light upon this matter. And as column E relates solely to our special trade in manufactured goods (to imports for consumption and to British Exports), we will look at column E.

During the first decade, the net British wages, per 100 of the population of the United Kingdom, contained in that part of our foreign commerce which relates to manufactured goods were £190 yearly; during the last decade, the net British wages were £172 per 100 of our population, with a much larger intervening fall. This unsatisfactory result has occurred despite all the recent “boom” years of foreign trade.

Column D of Table 244 shows the net British wages in our foreign commerce (Class III.) when we include our general imports, in place of our special imports, of manufactured goods. Here the net British wages are smaller than in column E, because column D includes that part of our imports of manufactured goods which, under the name of Re-Exports, enters into competition with our special exports of manufactured goods. And, as stated, column E takes into the account only our imports of manufactured goods for consumption in the United Kingdom which enter into competition with our home trade, not with our foreign trade.

It is interesting to observe the continuous rise in columns B and C, side by side with the nearly continuous fall in column A, throughout the greater part of Table 244. For these results confute the economic theory, that increased imports

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of manufactured goods must automatically increase British employment upon exports of manufactured goods.

TABLE 244.—UNITED KINGDOM: NET BRITISH WAGES, PER 100 OF THE POPULATION OF THE UNITED KINGDOM, CONTAINED IN OUR FOREIGN COMMERCE, CLASS III (MANUFACTURED GOODS), 1880-1910. *Yearly Averages during each Decade.*

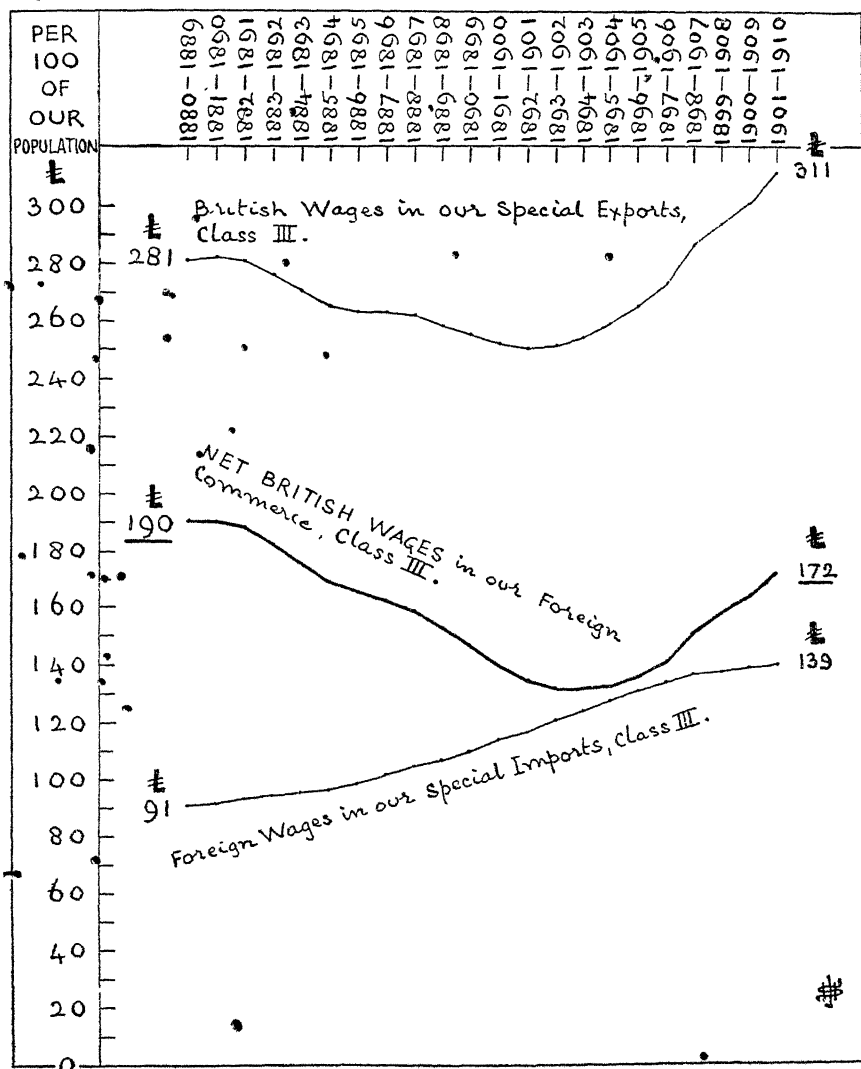
Decade.	British Wages contained in Special Exports, Class III.	Foreign Wages contained in General Imports, Class III.	Foreign Wages contained in Special Imports, Class III.	Net British Wages, per 100 of the Population of the United Kingdom, contained in our Foreign Commerce, Class III, Manufactured Goods.	
	<i>Table 242, Column (c)</i>	<i>Table 243, Column (c)</i>	<i>Table 243, Column (d)</i>	A - B.	A - C.
	A.	B.	C.	D.	E.
	£	£	£	£	£
1880—1889	281	110	91	171	190
1881—1890	282	111	92	171	190
1882—1891	281	113	93	168	188
1883—1892	276	114	94	162	182
1884—1893	270	114	95	156	175
1885—1894	265	115	96	150	168
1886—1895	263	117	98	146	165
1887—1896	263	119	101	144	162
1888—1897	262	122	104	140	158
1889—1898	258	124	106	134	152
1890—1899	255	127	109	128	146
1891—1900	252	131	113	121	139
1892—1901	250	134	116	116	134
1893—1902	251	139	120	112	131
1894—1903	254	143	123	111	131
1895—1904	259	147	127	112	132
1896—1905	265	151	130	114	135
1897—1906	273	156	133	117	140
1898—1907	286	160	136	126	150
1899—1908	294	162	137	132	157
1900—1909	301	163	138	138	163
1901—1910	311	165	139	146	172

Example.—Column E. The Net British Wages, per 100 of the population of the United Kingdom, contained in our whole Foreign Commerce in Manufactured Goods fell from £190 to £172, with a large intervening fall. This example relates to Special Exports and to Special Imports (imports for consumption in the United Kingdom) of Manufactured Goods.

Thus, these net British wages make clear that despite all the recent years of increased foreign trade-figures the *quality* of our foreign commerce in manufactured goods has largely

LARGE FALL IN NET BRITISH WAGES 533

DIAGRAM LXXXVII.—SEE TABLE 244. UNITED KINGDOM: SHOWING THE NET BRITISH WAGES, PER 100 OF THE POPULATION OF THE UNITED KINGDOM, CONTAINED IN OUR FOREIGN COMMERCE, CLASS III, MANUFACTURED GOODS, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—Observe the fall in Net British Wages contained in our special commerce (British exports minus imports for consumption) in Manufactured Goods, from £190 to £172 per 100 of our population. Observe also that the continuous rise in the Foreign Wages contained in our special imports was accompanied throughout the greater part of 1880-1910 by a continuous fall in British Wages contained in our special exports. Thus refuting the economic theory that increased imports must automatically stimulate British employment upon exports. The British Wages in Special Exports here include the full amount; no deduction being made, for instance, as regards the value of the Raw Cotton contained in our Cotton Exports.

failed to regain its former power to yield wages to our people. That is a saliently marked feature of our foreign commerce during 1880-1910.

The foregoing examination of the Quality of our foreign commerce in Class III., Manufactured Goods, may now be extended. We will test our whole foreign commerce as regards the foreign wages contained in our imports and the British wages contained in our exports.

Bear in mind that we are not now dealing with the profits gained by our import and export agents, by our bankers, by foreign traders. We are testing our foreign commerce in its bearing upon the wages yielded by it to the workmen of the United Kingdom and to the workmen of foreign countries.

In Table 245 it is assumed that one-half of the value of our foreign commerce represents wages—British wages or foreign wages. As regards this uniform treatment of the various classes of our foreign commerce, we have to bear in mind, for instance, that our coal exports in Class II. (Raw Materials, etc.), probably contain as high a proportion of British wages, assumed at one-half the value of coal exports, as do many of our exports in Class III. (Manufactured Goods), especially as the latter consist to an appreciable extent of foreign goods previously imported, and subsequently exported by us under the name of British Manufactured Goods (Special Exports, Class III.) And similarly with other sections of our foreign commerce. Thus, upon the whole, it is probably nearer the mark to assume this one-half wages proportion for the whole of our foreign commerce, irrespective of class of commerce, than to make more or less hypothetical distinctions relating to each class of merchandise.*

The British wages in column B of Table 245 have not been reduced in any way. For instance, they include, as British wages, one-half of the value of the raw cotton which is contained in our cotton exports. This is a large amount—see Tables 213-215.

* But see Appendix B, Table 252, where wages-distinctions are made.

Looking at column (c) of Table 245, we see the excess of foreign wages contained in our special imports (imports for consumption in the United Kingdom) over the British wages contained in our special exports (exports of British and Irish production and manufacture). This excess of foreign over British wages was 50·4 million £ yearly during the first decade, and 82·9 million £ yearly during the last decade.

Also, we have to consider the matter of foreign wages contained in our re-exports, column (d) of Table 245. As these re-exports, which are wholly distinct from transshipments, are goods coming into the United Kingdom, and subsequently exported by us, they constitute competition with exports of British goods. For that reason we may rightly add the foreign wages in these re-exports to the excess of foreign wages in column (c), thus obtaining the results in column (e) of Table 245, which show the total excess of foreign wages over British wages in our whole foreign commerce. This excess was 81·6 million £ yearly during the first decade, and 123 million £ yearly during the last decade.

If any student do not agree with the writer that we may justly include the foreign wages in our re-exports, let him ignore columns (d) and (e) of Table 245, and confine his attention to columns (a), (b), (c).

Table 245 shows that our great foreign commerce, when examined as regards the wages contained in it, as distinct from the money profit of import and export agents, of middlemen, of bankers, contained in it, has produced results during 1880-1910 by no means beneficial to British workmen, however beneficial these results may have been to workmen in foreign countries.

The mistake has commonly been made of assuming that the mere money profits of traders are identical with sound economic conditions of national production and of national power to provide work and wages for our population. Whereas these two things, Profit-gaining commerce and Wage-providing Home Production, are wholly different, and

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may be opposed to each other in a country whose policy is sham Free Trade.

TABLE 245.—UNITED KINGDOM: SHOWING THE FOREIGN WAGES CONTAINED IN OUR SPECIAL IMPORTS, AND THE BRITISH WAGES CONTAINED IN OUR SPECIAL EXPORTS; ALSO, THE FOREIGN WAGES CONTAINED IN OUR RE-EXPORTS, 1880-1910. *Yearly Averages during each Decade.*

Decade.	Foreign Wages in our Special Imports.	British Wages in our Special Exports.	Excess of (a) over (b).	Foreign Wages in our Re-Exports.	Total Excess of Foreign Wages over British Wages in our Whole Foreign Commerce (c)+(d).
	(a)	(b)	(c)	(d)	(e)
	Million £.	Million £	Million £.	Million £.	Million £.
1880—1889	165·5	115·1	50·4	31·2	81·6
1881—1890	166 0	117·1	48·9	31·3	80·2
1882—1891	167·9	117·8	50·1	31·3	81·4
1883—1892	168·6	117·1	51·5	31·2	82·7
1884—1893	167·7	116·0	51·7	30·9	82·6
1885—1894	169·0	115·2	53·8	30·6	84·4
1886—1895	171·1	115·8	55·3	30·7	86·0
1887—1896	175·8	117·2	58·6	30·7	89·3
1888—1897	180 2	117·8	62·4	30·7	93·1
1889—1898	184·5	117·8	66·7	30·5	97·2
1890—1899	187·4	118·0	69·4	30·4	99 8
1891—1900	192·6	119·0	73·6	30·4	104·0
1892—1901	196 6	120·2	76·4	30·7	107·1
1893—1902	201·8	122·7	79·1	30·8	109·9
1894—1903	208·2	126 1	82·1	31·3	113·4
1895—1904	214·7	130·2	84·5	31 9	116·4
1896—1905	221·1	135 0	86·1	32·8	118·9
1897—1906	228 1	141·4	86·7	34·2	120·9
1898—1907	236·2	150·5	85·7	35 9	121·6
1899—1908	241·4	157·2	84·2	36·8	121·0
1900—1909	247·1	163·0	84·1	38·1	122 2
1901—1910	252·8	169 9	82·9	40·1	123·0

(a) = One-half of Special Imports in Table 41.

(b) = One-half of Special Exports in Table 54.

(d) = One-half of Re-Exports in Table 54.

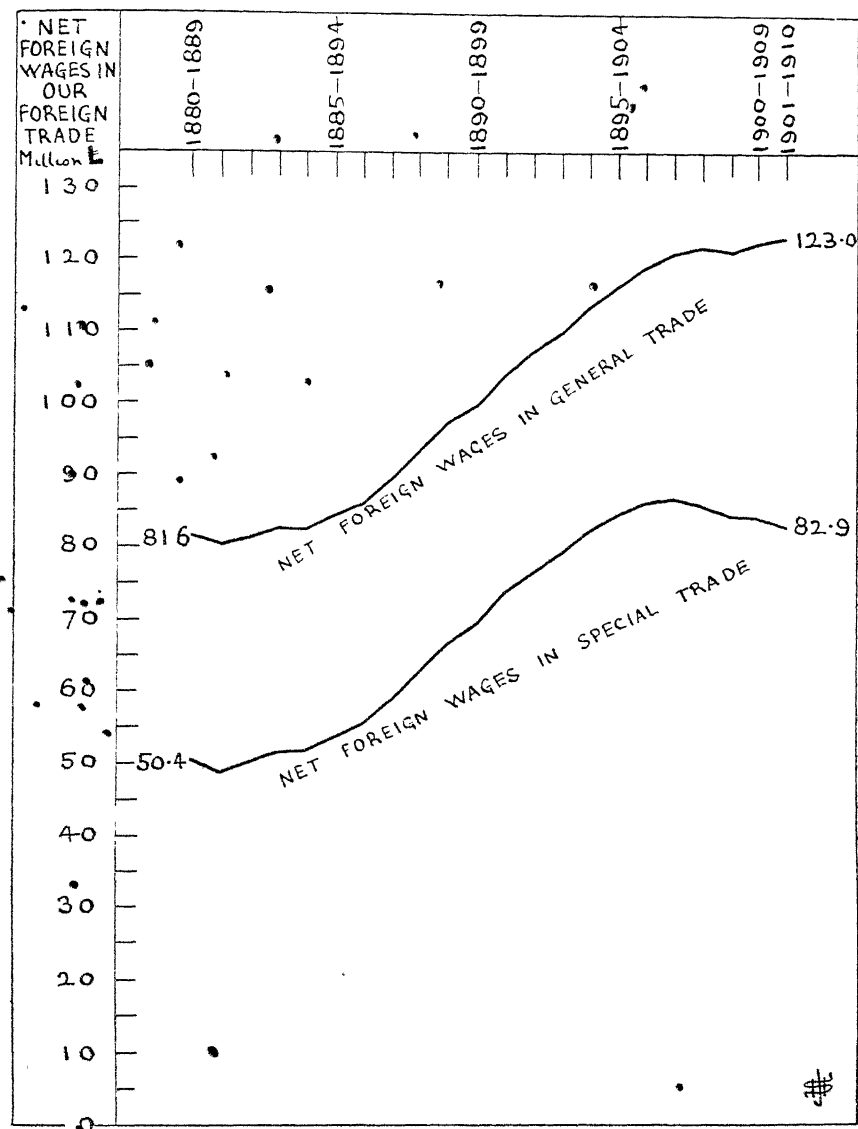
Note.—The goods to which column (a) relates largely compete in the United Kingdom with home-produced goods for consumption in the United Kingdom.

The goods to which column (d) relates compete with the United Kingdom's home-produced goods for export.

The broadly based results shown in this chapter support the growing opinion that the employment of our population is not being adequately maintained. And there are many

NET FOREIGN WAGES IN OUR TRADE 537

DIAGRAM LXXXVIII.—SEE TABLE 245. UNITED KINGDOM: SHOWING THE NET FOREIGN WAGES CONTAINED IN OUR GENERAL TRADE AND IN OUR SPECIAL TRADE, 1880-1910 *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

Example.—The Net Foreign Wages contained in our General Trade (General Imports and General Exports) rose from 81.6 million £ yearly to 123 million £ yearly. The Net Foreign Wages contained in our Special Trade (Special Imports and Special Exports) rose from 50.4 million £ yearly to 82.9 million £ yearly.

other results, upon a wholly different fact-base, shown in Chapter I., that give evidence in the same direction.

It is hardly possible to shut one's eyes to the principal conclusion to be drawn from the results shown in this chapter, namely, that our staple manufacturing industries have declined appreciably as employment-providers for our population. And, as we have seen in Chapter I., this result covers our home trade, not merely our export trade.

But we cannot be surprised to see this result, because our Non-Free Trade causes us to buy much more foreign labour in our imports than the British labour sold by us in our exports. We are constantly and increasingly buying large quantities of foreign labour in the goods we import for consumption in the United Kingdom, while simultaneously our own workmen have not sufficient employment to provide them with adequate work and wages.

As has been stated earlier in this chapter, our exports of so-called "British Manufactured Goods" are increasingly made up of foreign goods partly or wholly manufactured in foreign countries. And thus it follows that an increase in our exports of "British" Manufactured Goods may occur simultaneously with an actual decrease in our real British manufacturing production and in the employment of our industrial population in our staple manufacturing trades. Such a condition may continue to yield increased profit to our traders, profit to foreign manufacturers, profit to our bankers and financiers, employment and wages to foreign workmen. But, side by side with these profits, we have a decreasing yield of employment for our own workmen, a falling off in our power of national production, and a most notable change in the character of our exports; such change being a marked depreciation in the quality of those exports and in their paying-power (Table 241). If we hold the opinion that the maintenance and development of our power of national production, with constant employment of our workmen, are essential conditions of our national welfare, then we must

condemn our present policy of so-called Free Trade, under which the results here shown have occurred, and will continue to occur.

But if we regard as of the first national importance, the securing of our traders' profit upon our foreign commerce, the profit to foreign manufacturers, the profits of our bankers and financiers, the employment of foreign workmen, and the loss of employment by British workmen above mentioned, then we have no cause to desire alteration in our present method of foreign commerce, for it is admirably adapted to secure the continuance of these conditions. Our present policy of foreign commerce is purely commercial, it is concerned solely with the securing of our traders' profits, and it takes no account of national welfare. But national welfare does not rest upon traders' profits in the foreign commerce of a nation: it rests ultimately upon guarding and developing the power of national production, and upon full employment of a people at an adequate wage.

CHAPTER XV

NATIONAL WORKING EXPENSES^{*}

THE following considerations arise out of the trade tendencies disclosed in Chapters I. to XIV.

We have seen in Chapter I. that there is cause for serious doubt as to the prosperity of our Home Productions and Industries. We have seen in Chapter XIV. that our leading articles of export have not maintained their place. In Chapter XIII., we have seen that, upon a broad fact-base extending continuously over many years, foreign countries have made more progress in their commerce than the United Kingdom—not only as regards their export trade, but notably as regards their import trade. The latter fact is not generally known, it being commonly supposed—and without investigation—that the high tariffs of these foreign countries hinder development of their import trade. Whereas, as we have seen, these tariffs have not hindered the import trade of these foreign countries. These tariffs have given to foreign countries, the economic advantage of a Choice of Imports, and, by exercising this power of selection, our foreign rivals have been enabled to develop their home industries and also to make more advance, both in imports and in exports, than the United Kingdom has made.

Also, we have seen in Chapter I. that the recent years of our record export trade, 1904-1910, have been accompanied

^{*} The Tables in this chapter are based upon the current Statistical Abstract for Foreign Countries (Cd. 5446), upon the current Statistical Abstract for the United Kingdom (Cd. 5296) and earlier volumes of the latter Abstract, upon white Paper 43-XI., upon Cd. 5420.

by an increase in Unemployment, in Pauperism, in Emigration, and by other economic conditions that do not point towards prosperity in our Home Industries. And the investigation of our foreign commerce shown in Chapter XIV. in terms of foreign wages in our imports, and of British wages in our exports, has disclosed results unfavourable to British labour. In other parts of this book, the plainest evidence has been given as to the serious loss of position by the United Kingdom as a seller of merchandise in the markets of foreign countries and of British Dominions. See Chapters VIII. and XI.

In this present chapter we will further test the general principle of our policy of foreign commerce in its bearing upon the internal economic conditions of the United Kingdom, so far as these conditions relate to our home production and industries.

An important matter closely connected with the commerce of nations is that of National Working Expenses. By this is meant the whole national cost of maintaining in working order the markets of this or that country. For example, the working expenses of the United Kingdom are made up of the Exchequer Expenditure plus the Local Expenditure of this country. Unless these working expenses are provided, the United Kingdom can not be maintained as a trading place, as a market for the purchase and sale of merchandise.

What is approximately the yearly amount of the working expenses of the United Kingdom? Who pays those working expenses? And what is the bearing of this factor of commerce upon the inside and outside trade-conditions of the United Kingdom? It is worth while to devote some attention to these three questions.

Taking the first question—the yearly expenditure out of the Exchequer (exclusive of Expenditure not chargeable against Revenue) plus the Local Expenditure of the United Kingdom has averaged £322,000,000 yearly during the last decade. This amount is probably an under-statement of the cost at the present date (1911), and in the near future.

We now want to know what percentage on our internal trade is represented by these national working expenses of 320 million £. For that is approximately the yearly amount which has to be spent, nationally, for the purpose of maintaining these islands as a trading place.

No full records of our internal trade exist. About twenty-five years ago, the late professor Leone Levi estimated our internal trade at 1900 million £ per year, and our national working expenses at $12\frac{1}{2}$ per cent. on that internal trade. Another estimate, by Mulhall, relating to the year 1895, put our internal trade at approximately 1600 million £; and on this basis the working expenses in 1895 were 12 per cent. on our internal trade.

In Chapter I., the Board of Trade's estimate is quoted, that our Home trade is worth as a wages-provider, five or six times as much as our export trade. Our special exports during the last decade have averaged £340,000,000 yearly; and five or six times this amount is from 1700 to 2040 million £ of home trade.

If, to be on the safe side as regards non-exaggeration of the ratio of our working expenses, we now estimate our home or internal trade at 3200 million £ yearly (a high estimate), then our national working expenses of 320 million £ already stated are equal to 10 per cent. of our internal trade. The higher we estimate the amount of our home trade, the lower becomes the rate of working expenses. Probably this 10 per cent. estimate is too low; but if so, that is an error on the safe side, for it avoids an over-statement of the burden upon our internal trade that is necessarily caused by our national working expenses.

Thus the answer to our first question is that the yearly amount of our national working expenses is approximately 320 million £, and that this amount is approximately equal to a tax of 10 per cent. upon the whole of our internal trade.

We come now to the second question—Who pays our national working expenses?

The reply to this question has been indicated in our consideration of the first question. For, with the exception of the Customs duties we collect upon some of our imported food, drink, and tobacco, our national working expenses have to be met by our internal trade and industries. Our vast untaxed imports escape any contribution towards our national working expenses of 320 million £ per year, although these working expenses go to maintain our home markets where these vast untaxed imports are sold by foreign nations and bought by us. And, as will be seen, our taxed imports, food, drink, and tobacco, do not yield an adequate contribution towards our national working expenses.

Coming to the third question—What is the bearing of this factor of commerce (our national working expenses) upon the trade-conditions of the United Kingdom?

In the first place, and as we see from our consideration of the second question, it is now clear that all our vast imports which pay no Customs duty on entry to our ports are by no means “Free Imports”—as they are commonly regarded. They are not Taxed Imports, they are not Free Imports. What are they? They are State-Aided Imports.

These imports which are not taxed by us on entry to our home market are directly subsidised by the State of the United Kingdom to the extent, on an average, of 10 per cent. of the value of these imports. This subsidy of foreign imports has to be provided by the home trades and industries of the United Kingdom, while, simultaneously, many of these home trades and industries are competed with—in unfair conditions—by our State-Aided foreign imports. That is, in plain words, the answer to our third question. And the justice of this answer will be admitted by every plain man whose mind is not tainted by party politics, with which neither this book nor the writer of it is in any way concerned.

Every bushel of home-grown wheat, every can of English milk, each ton of our coal, of our iron ore, every length of British steel rail, each piece of English machinery, all our

home-made pottery and glass ware, our woollen goods, our cotton manufactures, and everything we produce, whether it is raw material, food, or manufactured goods—all these products of our industry have to bear their share* of the national working expenses of the United Kingdom. And, as has been pointed out, all these pieces of merchandise have to pay their share of the subsidy given to our non-taxed foreign imports by the State of the United Kingdom. This is not just. It is not wise thus to play into the hands of our foreign rivals in trade, who year by year are becoming more formidable—not only in our home market, but also in the markets of the world where we also are sellers of merchandise.

Now let a possible objection to the foregoing argument be considered.

It may be said, by persons who accept economic dogma in place of investigating economic fact and economic contemporary trade history, that it is “economically” wrong to put any tax upon our imports because these imports—as it may be alleged—have already paid their share of the national working expenses in their country of origin before they reach our ports.

This objection may be refuted easily and completely.

In the first place, it is pure assumption to assert that our untaxed imports have paid their share of the national working expenses of their country of origin.

Certainly it is not to be disputed that the merchandise produced in Germany, for example, has to pay its share of Germany's national working expenses. So far, our theoretical economists are correct in their objection. But that condition applies to German merchandise as one whole. It by no means follows that *the particular part* of German merchandise which comes to us in the form of our untaxed imports has paid its share of Germany's national working expenses—for the following reasons:—

One main principle of modern commercial production is

* Approximately 10 per cent. of their value.

production on a large scale, and, as far as possible, continuous production, so as to avoid shutting down works. For this purpose a perpetual free outlet for surplus production is highly important. And the only important free outlet for this surplus production by Germany or by other nations is the market of the United Kingdom.

When the regular internal trade demand of Germany or of other countries fails to absorb German or other merchandise at the usual rate of German or other manufacturing profit, then the surplus production comes into the United Kingdom at low prices which yield little or no profit to the German producer, and which do not include this surplus production's share of Germany's national working expenses. But although these actual goods sent to the United Kingdom at a reduced price may not yield an ordinary manufacturing profit to Germany, yet it pays German manufacturers so to sell them, because, by that act of sale, German manufacturers are enabled to maintain the principle of continuous production on a large scale. Their profit on their non-surplus production enables their surplus production to be sold to us at little or no profit—because they are able to work by the principle of continuous production upon a large scale. This condition is operative in many countries other than Germany, and thus it follows that a considerable part of our non-taxed imports have not paid their share of the national working expenses of the country of their origin. In this connection it is instructive to read the evidence given to the Tariff Commission by our traders and manufacturers in many of our leading industries. This evidence amply confirms the statements which have just been made as to the sale at low prices in the United Kingdom of the surplus production of foreign countries.

But here it may be said, "So much the better for us, if foreign countries sell their goods of surplus production to the United Kingdom at a small profit or at no profit."

This statement rests upon the common economic fallacy that the population of the United Kingdom is divided into

two groups — consumers and producers — and upon the economic fallacy that it is more important to guard the interests of the consuming-group than the interests of the producing-group. This fallacy puts the cart before the horse.

As a matter of economic fact, and with the exception of sucking babes, children, thieves, and paupers, the population of the United Kingdom is made up of persons who must necessarily play both the parts of Producer and Consumer. A man cannot consume unless he has previously produced. And of these two parts we all have to play, the part of producer is more important than the part of consumer. And it follows that it is more necessary to guard our power of national production, than to stimulate our power of national consumption by giving State Aid to foreign imports at the direct cost of our power of national production.

These State-Aided foreign imports tend gradually to undermine our power of national production, upon which depend the employment and wages of our population.

It is a penny-wise and pound-foolish policy to encourage the importation of foreign goods by giving them the State Aid we now give to them, and at the same time to let our home industries be competed with—in these unfair conditions—by these same goods imported from foreign countries. For that is a policy which puts consumption in front of production, and which thus reverses the right order of the two parts we all have to play.

The possible objection now being considered may be answered on quite another ground than that of surplus production.

Many foreign nations tax our goods when they enter foreign ports to an extent greatly in excess of the national working expenses of this or that foreign country. For example, the United States' import tax upon our manufactured goods is on the average £73 per £100. Table 150. If we assume that the national working expenses of the

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United States entail a 10 per cent. tax upon merchandise, then this import tax of £73 per £100 is made up of—

U.S. Revenue Taxation	.	.	.	Per £100.
U.S. Protective Duty	.	.	.	£10
				63
Total	.	.	.	<u>£73</u>

Similarly, Germany's import duty of £25 per £100 upon our manufactured goods which enter Germany may be split up into—

Germany's Revenue Taxation	.	.	.	Per £100
Germany's Protective Duty	.	.	.	£10
				15
Total	.	.	.	<u>£25</u>

And so on for many other foreign countries that tax our goods far in excess of the rate necessary to provide a proper share of the national working expenses of each foreign country.

This high taxation of our goods brings additional revenue to these foreign countries. And it therefore follows that the rate of taxation levied, for example, upon American manufactures by the United States, in order to provide the national working expenses of the United States, is automatically reduced to the extent of the revenue obtained by the United States by heavy import taxation of our goods. What follows?

The result is that American merchandise which enters the ports of the United Kingdom is, for the reason just stated, only burdened with a reduced share of the national working expenses of the United States. The amount of the reduction being provided by taxation of British and other goods by the United States. That is an important consideration which is wholly omitted by our theoretical political economists; and moreover, this consideration applies to all goods we import from the United States, whether they are goods of surplus production sold to us at low prices, or whether they are goods sold to us at an ordinary rate of profit to the American manu-

facturers. And similarly with other foreign countries whose goods we import.

The above consideration shows that our home production and industries are in a vicious circle. For the heavy taxation of British goods by foreign countries not only reduces the burden of foreign national working expenses put upon foreign goods in the country of their production, but also this heavy foreign taxation of British goods aids foreign goods to enter the United Kingdom at prices that compete unfairly with our home-made goods. And our home-made goods are super-taxed by us to the direct benefit of the foreign goods here imported that compete with them. The unavoidable corollary is that we are taxing British labour for the benefit of labour in foreign countries. Thus it is not surprising that our Unemployment, our Pauperism, and our Emigration have increased even during the recent years of our record export trade. See Chapter I.

A third consideration is that even if all foreign goods imported by us did actually bear as a part of their price their full share of the national working expenses of the country of their origin, even in that case these goods do not bear their share of the national working expenses of the United Kingdom. Whereas, on the other hand, our goods that enter foreign countries not only have to pay their full share of the national working expenses of the country our goods enter, but in addition our goods have to meet a protective tariff which is usually at a heavy rate.

For that reason alone we should be justified, economically, to tax all our imports to the extent of our national working expenses, that is, to put an average 10 per cent. duty upon all our imports.

When we bear in mind the important considerations here put, it becomes impossible for any honest thinker to assert that there would be any shade of Protection in an alteration of our existing trade policy by which we should tax all our imports to the extent of 10 per cent. That is, to the extent

necessary to make our imports pay their just share of the national working expenses of the United Kingdom which are spent upon maintaining our country as a market for the sale of goods.

In the financial year ended 31st March 1910 the net receipts from Customs duties upon our imports were 30 million £, and these duties were levied on things that we eat, drink, and smoke. In the year 1910 our Imports of Merchandise, excluding Bullion and Specie, were 678 million £, and 10 per cent. on this latter amount is approximately 68 million £.

Thus, in the year 1910 our imports should have yielded 68 million £ as a contribution to our national working expenses, in place of the 30 million £ actually collected at our Customs Houses.

It is much to be regretted that a great national question, as this trade question is, has been dragged into the arena of party politics with the false cry, Free Trade *versus* Protection. Nothing can be more remote from Free Trade than our system of partly taxed partly State-Aided Imports, *plus* heavy taxation of our exports by foreign countries, and there is not a shade of Protection in the proposals made in 1903 by Mr Chamberlain. There can be no Protection until our rate of import duty upon all our imports exceeds £10 per £100 of their value—until, in fact, our imports are taxed to an extent greater than the 10 per cent. rate necessary to make our imports pay their just share of the National Working Expenses of the United Kingdom. Similarly, it is quite wide of the mark to talk about “Retaliation” upon foreign countries, for there is no vestige of Retaliation in putting a 10 per cent. tax on our imports, so that they shall pay their share of our national working expenses in common with our *home* industries. Retaliation can come in only when this 10 per cent. rate of import duty to be levied by us is exceeded.

It may, or it may not, be desirable to levy a Protective Duty upon some of our manufactured imports in addition to

this non-Protective Duty of 10 per cent. In this connection we have to bear in mind that the United Kingdom is the market most greatly desired by foreign sellers of merchandise. And in commerce, as Mr Deakin said, "the buyer is the king, the seller is the courtier."

When we examine the records of the world's trade for the purpose of ascertaining who is the Best Customer of each oversea selling country, we obtain the instructive results shown in Tables 246 and 247.

Table 246 enables us clearly to see that in international commerce the United Kingdom holds "the king's" place, and that other countries are in the position of Mr Deakin's courtier. This is a commercial asset of great potential value to us, but of which, at present, we do not avail ourselves.

Inspection of Table 246 shows that the United Kingdom is the Best Customer of no fewer than thirteen of the twenty-seven foreign countries, including the biggest sellers. And the United Kingdom is the Best Customer, or the Second-Best Customer, of nineteen of these twenty-seven countries. No other buyer in Table 246 comes near to the United Kingdom in importance as a buyer of goods that foreign countries want to sell.

Germany is the Best Customer of only six foreign countries, and the United States are the Best Customer of only three foreign countries. Other buyers in Column C of Table 246 are negligible in this respect. And yet Germany, the United States, and our other rivals in trade, are able to insist upon high rates of import taxation, a part of which is certainly paid by the country whence these imports come. We who hold the king's place—we who possess the market most greatly desired by foreign selling-countries—do not even tax our imports to the extent of making our imports pay their share of our national working expenses. We actually subsidise our imports to the extent, approximately, of £10 per £100 of their value, and this subsidy is given by us at the cost of our home industries!

TABLE 246.—SHOWING WHO IS THE BEST CUSTOMER OF EACH OF THE TWENTY-SEVEN FOREIGN SELLING - COUNTRIES WHOSE TRADE IS RECORDED

Foreign Selling-Country. A.	Yearly Exports by A. B.	The Best Customer of A is C.	The Second-Best Customer of A is D.
Seller	Million £.	Buyer	Buyer
United States	341	United Kingdom . .	Germany.
Germany	324	United Kingdom . .	Austria-Hungary.
France	229	United Kingdom . .	Belgium.
Holland	205	Germany	United Kingdom.
Belgium	112	Germany	France.
Russia	105	Germany	United Kingdom.
Austria-Hungary . . .	97	Germany	United Kingdom.
Argentine Republic . .	79	United Kingdom . .	Germany.
Italy	75	Germany	United States.
Brazil	64	United States . . .	United Kingdom
Switzerland	46	Germany	United Kingdom.
Japan	44	United States . . .	China.
China	44	Japan	France.
Spain	39	United Kingdom . .	France.
Denmark	34	United Kingdom . .	Germany.
Sweden	27	United Kingdom . .	Germany.
Egypt	27	United Kingdom . .	Germany.
Mexico	24	United States . . .	United Kingdom.
Chile	22	United Kingdom . .	Germany.
Roumania	19	Belgium	Austria-Hungary.
Norway	15	United Kingdom . .	Germany.
Uruguay	7	Argentine Republic .	France.
Portugal	6	United Kingdom . .	Spain.
Peru	5	United Kingdom . .	United States.
Bulgaria	4	Turkey	Belgium.
Greece	4	United Kingdom . .	Austria-Hungary.
Servia	4	Austria-Hungary . .	Turkey.

* These twenty-seven foreign selling-countries are here arranged in the order of their importance as sellers of merchandise.

Note.—The United Kingdom is the Best or the Second-Best Customer of 19 of the 27 foreign selling-countries in column A. Including 5 of the 6 big sellers. (Sellers of 100 million £ yearly or more.)

When, in Table 247, we look at similar facts as to the Best Customer of British Dominions, we again see that the United Kingdom holds the "king's place." And taking all the forty-three oversea sellers of merchandise, in Tables 246 and 247, we see that the United Kingdom is the Best Customer or the Second-Best Customer of thirty-three of these forty-three countries that want to sell things. A solid

fact of this sort is worth much theoretic academic theory. It constitutes a commercial asset of great potential value to the United Kingdom.

TABLE 247.—SHOWING WHO IS THE BEST CUSTOMER OF EACH OF THE SIXTEEN BRITISH DOMINIONS OR COLONIES STATED BELOW.

British Dominion or Colony.	Yearly Exports by A.	The Best Customer of A is	The Second-Best Customer of A is
A	B.	C.	D.
Seller.	Million £.	Buyer	Buyer
British India . . .	129	United Kingdom	Germany.
Australia . . .	65	United Kingdom	France
Canada . . .	62	United Kingdom	United States.
Cape of Good Hope .	47	United Kingdom	Germany.
Straits Settlements .	33	United Kingdom	Dutch Colonies.
New Zealand . . .	20	United Kingdom	Australia.
Ceylon . . .	10	United Kingdom	United States.
Natal . . .	4	United Kingdom	Germany.
Jamaica . . .	3	United States .	United Kingdom.
Trinidad and Tobago	3	United States .	United Kingdom.
Gold Coast . . .	3	United Kingdom	Germany.
Mauritius . . .	2	British India .	United Kingdom.
Newfoundland . . .	2	Brazil . . .	Portugal.
British Guiana . . .	2	United Kingdom	Canada.
Sierra Leone . . .	1	United Kingdom	Germany.
Barbadoes . . .	1	Canada . . .	British West Indies.

Note.—The United Kingdom is the Best or the Second-Best Customer of 14 of the 16 British Dominions or Colonies in column A.

With these facts before our eyes, is it not considerably probable that even if we were to put a moderate Protective Duty upon our imports, in addition to the non-Protective tax of 10 per cent., the foreign countries who so greatly desire to sell in our home market would be compelled to pay this toll for the use of our markets as an alternative to loss of sales to us? We hold the king's position in commerce as the biggest buyer of merchandise.

But whatever opinion may be held as to the desirability of levying a real Protective Duty upon some of our imports, in addition to the non-Protective 10 per cent. Duty for our national working expenses, there can be little legitimate difference of opinion as to the necessity of levying the non-

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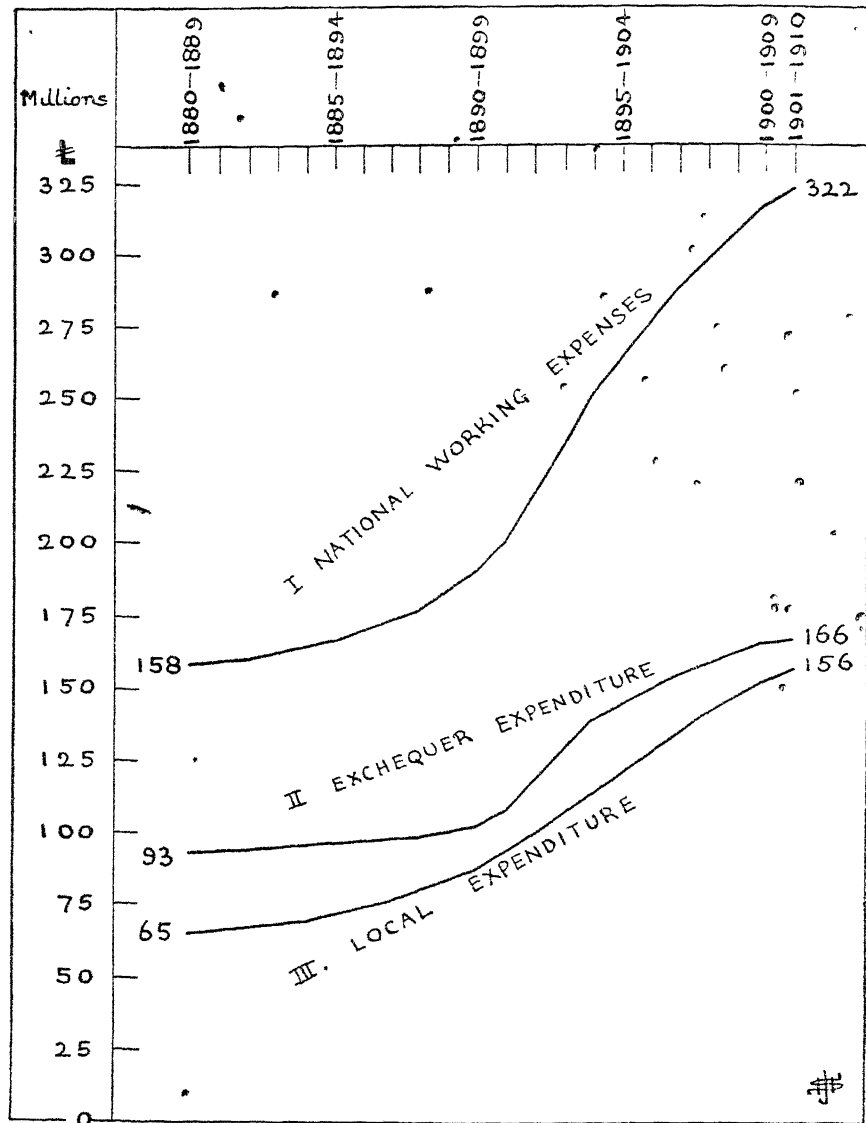
Protective 10 per cent. Duty upon our imports. That is to say, there is scarcely any real basis for difference of opinion upon this point when the facts that relate to it are made known. In order to make these facts known, we will now put side by side the Exchequer Expenditure and the Local Expenditure of the United Kingdom and the receipts from our import duties actually collected. By means of this comparison, we shall be able clearly to see the long-continued inadequacy of our existing import duties to pay their share of our total national expenditure—their share of our national working expenses.

∴ Table 248 shows that the national working expenses of

TABLE 248.—UNITED KINGDOM. SHOWING THE NATIONAL WORKING EXPENSES AND THE NET IMPORT DUTIES ACTUALLY COLLECTED, 1880-1910. *Yearly Averages during each Decade.*

Decade. (Years ended 31st March)	National Working Expenses.			Import Duties Collected <i>Table 151</i>	Amount of B per £1000 of A.
	Exchequer Expendi- ture. <i>Table 151.</i>	Local Expendi- ture.	Total. A.		
	Million £	Million £.	Million £.	Million £	£
1880—1889	92·7	65·3	158·0	19·7	125
1881—1890	93·1	65·8	158·9	19·8	125
1882—1891	93·8	66·5	160·3	19·9	124
1883—1892	94·5	67·5	162·0	19·9	123
1884—1893	94·8	69·2	164·0	19·9	121
1885—1894	95·5	71·5	167·0	19·9	119
1886—1895	96·0	73·8	169·8	19·9	117
1887—1896	96·7	76·2	172·9	20·0	116
1888—1897	98·0	79·2	177·2	20·2	114
1889—1898	99·9	82·8	182·7	20·4	112
1890—1899	102·3	87·3	189·6	20·6	109
1891—1900	107·5	92·7	200·2	20·9	104
1892—1901	117·4	99·0	216·4	21·6	100
1893—1902	128·3	105·9	234·2	22·6	96
1894—1903	138·1	113·1	251·2	23·9	95
1895—1904	143·9	119·6	263·5	25·1	95
1896—1905	149·0	127·1	276·1	26·5	96
1897—1906	153·5	134·1	287·6	27·6	96
1898—1907	157·5	140·8	298·3	28·6	96
1899—1908	161·5	146·9	308·4	29·7	96
1900—1909	164·9	152·1	317·0	30·4	96
1901—1910	166·3	156·3	322·6	31·1	96

DIAGRAM LXXXIX.—SEE TABLE 248. UNITED KINGDOM: SHOWING THE NATIONAL WORKING EXPENSES MADE UP OF EXCHEQUER EXPENDITURE *plus* LOCAL EXPENDITURE, 1880-1910. *Yearly Averages during each Decade*



Keep the base-line 0 in sight.

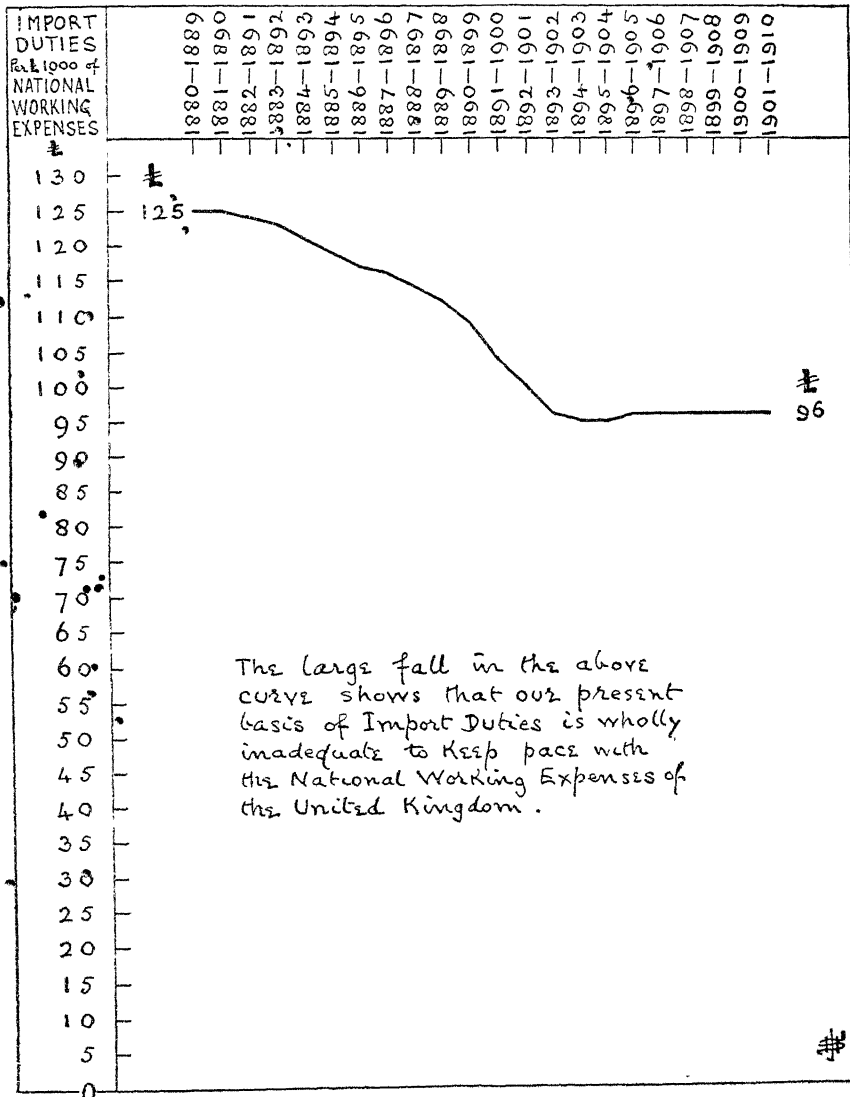
Examples.—I. National Working Expenses, namely, II. *plus* III., increased from 158 to 322 million £ yearly.

II. Exchequer Expenditure increased from 93 to 166 million £ yearly. The Boer War Expenditure was mostly paid out of Loans, not out of the Exchequer.

III. Local Expenditure increased from 65 to 156 million £ yearly. Local Expenditure increased even more than Exchequer Expenditure.

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DIAGRAM XC.—SEE TABLE 248. UNITED KINGDOM: SHOWING THE AMOUNT OF IMPORT DUTIES ACTUALLY COLLECTED PER £1000 OF THE NATIONAL WORKING EXPENSES OF THE UNITED KINGDOM. 1880-1910. Yearly Averages during each Decade.



Keep the base-line 0 in sight when looking at the above curve.

Example.—During the first decade, import duties paid for £125 per £1000 of our National Working Expenses; during the last decade, import duties paid for only £96 per £1000.

the United Kingdom averaged 158 million £ yearly during 1880-1889, and 322 million £ yearly during 1901-1910.

This enormous growth in our expenditure has largely outpaced the receipts from import duties, column B of Table 248. These were 19·7 million £ yearly during the first decade, and 31·1 million £ yearly during the last decade.

But column C of Table 248 contains the essence of this widely based comparison. We there see that during 1880-1889, our receipts from import duties amounted to £125 per £1000 of our National Working Expenses. We see a large fall, until in the decade 1901-1910 our import duties actually collected paid for only £96 per £1000 of our National Working Expenses. This is a large falling-off in our receipts from a source that, rightly treated, ought to have enabled us to glean a substantial toll from foreign sellers of merchandise in our greatly desired home market.

It is useful now to look at the yearly shortage in our actual import duties collected. See Table 249.

Column B of Table 249 shows what ought to have been the yield of a non-Protective Duty of 10 per cent. upon our imports, as representing merely their just share of our National Working Expenses, without a shade of Protection. And Column D of Table 249 shows what the shortage has been in the import duties we did collect.

This shortage was 19·7 million £ yearly during the first decade, and 27·5 million £ yearly during the last decade. In other words, since the year 1880 we have been neglecting to collect an additional revenue of from 20 to 27 million £ yearly. But those are the average amounts during each decade. At the present time (1911) the shortage is nearly 40 million £; most of this amount, if not all of it, would be paid by foreign countries as a toll for the use of our home market and as an alternative to loss of their sales in that market. See Table 246, which shows beyond dispute that the United Kingdom holds "the king's place" and that foreign sellers hold

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“the courtier’s place,” in commerce between the United Kingdom and foreign countries.

TABLE 249—UNITED KINGDOM: SHOWING THE SHORTAGE OF IMPORT DUTIES COLLECTED, UPON THE ASSUMPTION OF A TEN PER CENT. NON-PROTECTIVE TAX ON IMPORTS, AS THEIR PROPER SHARE OF THE NATIONAL WORKING EXPENSES OF THE UNITED KINGDOM, 1880-1910. *Yearly Averages during each Decade.*

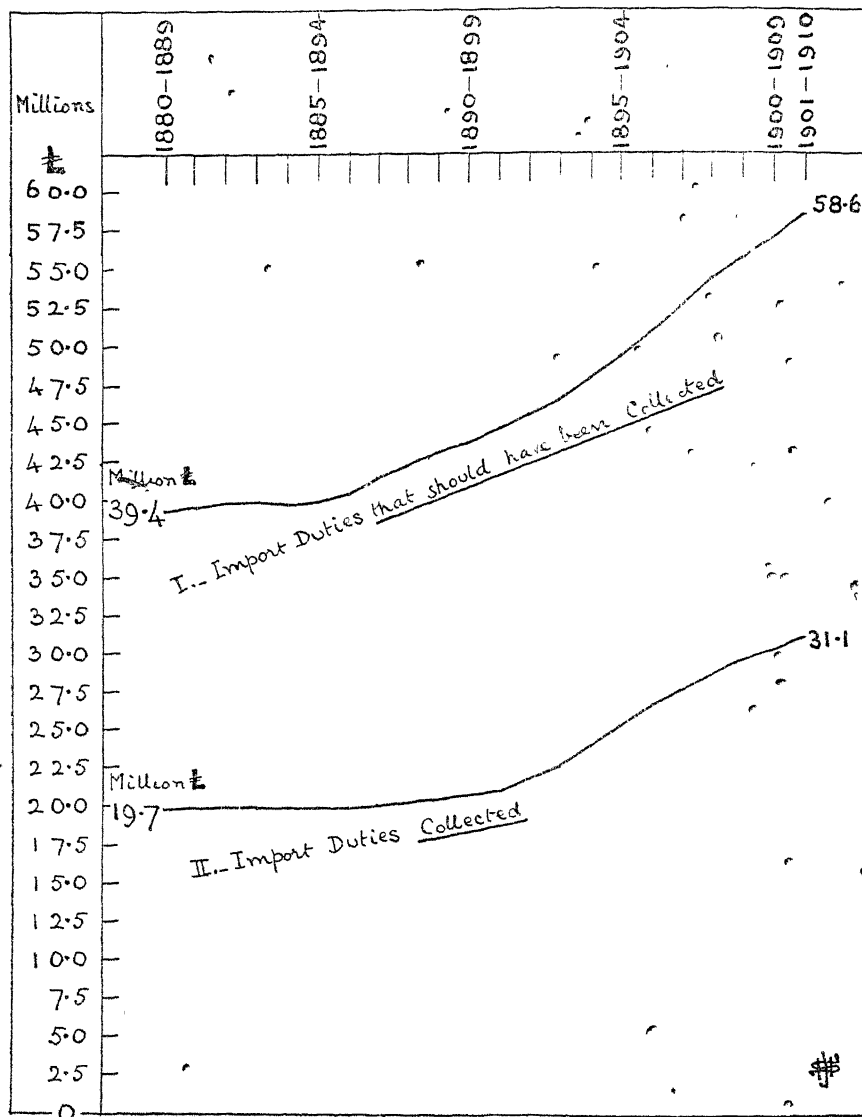
Decade.	General Imports. (Table 41).	Ten per cent on A, as a contribution to our National Working Expenses.	Import Duties Collected.† (Table 151).	Shortage of Import Duties Collected (B - C).
	A.	B.	C.	D.
	Million £.	Million £	Million £	Million £.
1880—1889	393·6	39·4	19·7	19·7
1881—1890	394·6	39·5	19·8	19·7
1882—1891	398·4	39·8	19·9	19·9
1883—1892	399·5	39·9	19·9	20·0
1884—1893	397·3	39·7	19·9	19·8
1885—1894	399·1	39·9	19·9	20·0
1886—1895	403·7	40·4	19·9	20·5
1887—1896	412·9	41·3	20·0	21·3
1888—1897	421·8	42·2	20·2	22·0
1889—1898	430·1	43·0	20·4	22·6
1890—1899	435·8	43·6	20·6	23·0
1891—1900	446·0	44·6	20·9	23·7
1892—1901	454·7	45·5	21·6	23·9
1893—1902	465·2	46·5	22·6	23·9
1894—1903	478·9	47·9	23·9	24·0
1895—1904	493·2	49·3	25·1	24·2
1896—1905	508·0	50·8	26·5	24·3
1897—1906	524·6	52·5	27·6	24·9
1898—1907	544·1	54·4	28·6	25·8
1899—1908	556·4	55·6	29·7	25·9
1900—1909	570·4	57·0	30·4	26·6
1901—1910	585·9	58·6	31·1	27·5

* This 10 per cent. duty on the Imports in column A is wholly a non-Protective Duty. It is merely the 10 per cent. tax on imports which, as explained in the text, is the just contribution by our Imports towards our National Working Expenses.

† These are for years ended 31st March.

It is impossible for the conditions shown in this chapter to be much longer refused as a guide to our future trade policy. It is impossible, because, year by year, it is becoming more difficult to raise the money necessary for our National Working Expenses. We shall be compelled to make use of the splendid

DIAGRAM XCI.—SEE TABLE 249. UNITED KINGDOM: SHOWING I, THE IMPORT DUTIES THAT SHOULD HAVE BEEN COLLECTED UPON THE BASIS STATED IN TABLE 249, II, THE IMPORT DUTIES ACTUALLY COLLECTED, AND BY DEDUCTING II. FROM I., THE SHORTAGE OF IMPORT DUTIES COLLECTED, 1880-1910. *Yearly Averages during each Decade.*



Keep the base-line 0 in sight.

Example.—The Import Duties that should have been collected upon the basis of a 10 per cent. non-Protective tax upon imports, as their share of the National Working Expenses of the United Kingdom, rose from 39.4 million £ to 58.6 million £ yearly. Import Duties collected rose from 19.7 to 31.1 million £ yearly.

Thus, the Shortage of Import Duties collected, namely I. minus II., rose from 19.7 million £ to 27.5 million £ yearly. This shortage is not shown as a curve, because the latter almost coincides with the curve of II., Import Duties collected. See Table 249.

opportunity we have for so long neglected, and to use our unique position in international commerce (see Tables 246 and 247) for the purpose of making our imports pay their just share of the National Working Expenses of this country. That must follow, whether or not we may levy, in addition, a Protective Duty upon some of our manufactured imports.

As regards the question—Who pays an import duty, the producer or the consumer?—this can not be determined by economic dogma. It depends upon many actual conditions of international commerce, which are continually changing. But one of the most important of these actual conditions is the question whether a particular market is or is not greatly desired as a selling-place by a producer of merchandise. If this or that market is not greatly desired, then the balance of probability is that the consumer would have to pay an import duty. But if such market is greatly desired, then it is probable that a moderate import duty would be paid wholly or partly by the producer of merchandise, who would have to consider, without the slightest regard to economic theory or dogma, whether it will pay him to retain his sales in the market he desires by reducing his prices to the extent of such import duty. For his competitors in the same goods will also be considering the same point. This is purely a matter of business; it can not be determined by theoretical political economy.

The facts in Tables 246 and 247 are conclusive evidence that the market of the United Kingdom is greatly desired as a selling-place by foreign producers of merchandise. Thus the balance of probability is that a moderate duty upon our imports would be paid by the foreign producer as the alternative to loss of sales in our greatly desired market.

Another condition that affects the question—Who pays an import duty? is whether or not the imported goods are competed with in the importing country by the importing country's home-produced goods. For instance, nearly the whole of our imported merchandise that we now tax consists of articles in Class I., Food, etc., of a kind that is not competed with in the

United Kingdom by food articles produced in the United Kingdom. And it follows that our present import taxation of this imported Food, etc., probably has to be paid by the Food-consumer in the United Kingdom. But if we were to change our present taxation of imports in the direction of taxing imported merchandise that is competed with in the United Kingdom by goods produced in the United Kingdom, we should then probably be able to shift the import tax from the consumer in the United Kingdom to the producer in foreign countries—for the reason, already stated, that the market of the United Kingdom is greatly desired as a selling-place by foreign producers of merchandise.

Readers of this chapter may now, perhaps be able to admit that we could justly put this non-Protective Duty of 10 per cent. upon all our imports, merely as a proper contribution by those imports to our National Working Expenses, and without touching the question of Protection.

But as a matter of economic expediency, it would probably be desirable to continue our present State-Aid of 10 per cent. to all our imports of raw material, and thus to exempt our imports of raw material even from this tax of 10 per cent. in aid of our National Working Expenses. Let it be understood that the words "raw material" here mean *raw material*, such as cotton, wool, etc., that is to say, merchandise that has not been partly manufactured. Our imports in Class II. are made up of "Raw Materials and Articles mainly un-Manufactured," and there is no reason why these articles mainly unmanufactured should not be taxed to the extent of our 10 per cent. national working expenses rate.

As regards our imports in Class I. (Food, Drink, and Tobacco), these, as one whole, are already taxed on entry to the United Kingdom at a rate in excess of this 10 per cent. rate. See Table 250.

This Table 250 shows plainly that, whether we look at our general imports in Class I. (Food, Drink, and Tobacco), or at our special imports in this class, the import duties we

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actually collect on these imports exceed the 10 per cent. national working expenses rate. See columns D and E. Thus, it would not be necessary to *increase* the existing taxation on our imports of Food, Drink, and Tobacco, but it would suffice to *readjust* the existing import taxation in this Class I., for the purpose of enabling us to give a preference in our tariff on some of the food-articles in this already taxed Class I. which come to us from British Colonies.

TABLE 250.—UNITED KINGDOM: SHOWING THE GENERAL IMPORTS AND THE SPECIAL IMPORTS IN CLASS I. (FOOD, DRINK, AND TOBACCO), AND THE IMPORT DUTIES ACTUALLY COLLECTED ON IMPORTS IN CLASS I., 1891-1910.* *Yearly Averages during each Decade.*

Decade.	Imports, Class I., Food, Drink, and Tobacco.		Import Duties actually collected on Imports in Class I.† (Table 249.)	Percentage of Import Duties collected, C, upon Imports in Class I.	
	General Imports. (Table 48.)	Special Imports.†		Upon General Imports, A.	Upon Special Imports, B.
	A.	B.	C.	D.	E.
	Million £	Million £.	Million £	Per cent.	Per cent.
1891—1900	193·2	181·4	20·9	11	12
1892—1901	196·8	185·0	21·6	11	12
1893—1902	200·2	188·7	22·6	11	12
1894—1903	205·4	194·0	23·9	12	12
1895—1904	210·8	199·4	25·1	12	13
1896—1905	216·0	204·4	26·5	12	13
1897—1906	221·1	209·5	27·6	12	13
1898—1907	226·5	214·8	28·6	13	13
1899—1908	230·1	218·6	29·7	13	14
1900—1909	234·5	223·1	30·4	13	14
1901—1910	238·3	226·8	31·1	13	14

* Can not be stated before 1891.

† These are General Imports in Class I. (Food, etc.), less Re-Exports in Class I.

‡ For years ended 31st March. A negligible part of these Import Duties actually collected was in respect of Imports other than Class I. (Food, etc.).

The levying of this 10 per cent. national working expenses rate of import duty should be adjusted so as to work out at a yield of £10 per £100 upon all our imports. Some of these imports, such as raw material, would escape the 10 per cent. tax; other imports, such as food, etc., which are already taxed at a higher rate than 10 per cent. (see Table

250), would experience merely an adjustment of their existing import taxation. And other imports, such as competitive manufactured goods, should be taxed at a rate higher than the 10 per cent. national working expenses rate.

As regards the principle by which such a tariff should be constructed, this should be based upon taxing the foreign labour contained in this or that article of import, not upon taxing the material such article contains. For unless this tariff-principle is adopted, we should not be able properly to discriminate articles containing much foreign labour from articles containing little foreign labour. And to defend the interests of our working population, we must tax foreign labour, not foreign material.

Let us take an actual example—foreign motor cars imported by us. In the year 1910 we imported 7358 completely finished motor cars valued at £3,350,830: an average value of £455 per car—say, £450.

In a highly manufactured article such as a motor car, containing much skilled labour, it is probable that approximately four-fifths of this £450 are labour and one-fifth is raw material. Of course, it does not matter to this illustration what are the correct proportions. These could be ascertained with a sufficient accuracy for the purpose of constructing our tariff. Here, foreign labour includes foreign profit.

Suppose, in the first place, that we desire to make this foreign car pay its share of our National Working Expenses of 10 per cent. The car consists of—

Foreign Labour	£360
Foreign Raw Material	90
Total	<u>£450</u>

And 10 per cent. on £450 is £45. To get this £45 we must put a 12½ per cent. import duty on the £360 of foreign labour in the car, which is one-eighth of £360, namely £45. And in this way, taxing only foreign labour, we arrive at our 10 per cent. tax on this £450 car, as its just contribu-

tion towards the National Working Expenses of the United Kingdom.

But in the case of this motor car we may rightly desire to put on a real Protective duty for the benefit of our workmen who are making motor cars in the United Kingdom. Thus, we may wisely tax the foreign labour of £360 in this car by at least 25 per cent. in place of the above $12\frac{1}{2}$ per cent. And doing this, we get 25 per cent. on £360 (equals £90 import duty) on this £450 foreign car. The whole of this £90 import duty is levied on the foreign labour contained in the imported car. And the £90 of import duty are made up thus:—

I. A non-Protective tax towards our National Working Expenses	£45
II. A real Protective Import Duty	45
III. Total Import Duty on this £450 motor car imported by us	<u>£90</u>

That illustrates the principle by which we ought to construct our new tariff. Many of our imports would have to bear merely the non-Protective tax I. above. And other of our imports should be taxed in addition with a real Protective Duty, as in II. above, upon the foreign labour contained in such imports, so as to defend the work and the wages of our own people.

Thus, before this foreign motor car could take work and wages from our workmen, either the foreign producer or the British buyer of this car, or both of them in unknown proportions, would have to pay £90 to our Exchequer. And this £90 would help to reduce our internal taxation, and thus to help our internal industries, and necessarily our workpeople who depend upon these industries for their weekly wage.

Further, if we desired to prevent the foreign car coming in, or if it came in, to make it enter an English port at a distinct gain to our home industries, we could raise our import duty upon the £360 of foreign labour contained in this car to 50 per cent. or to 100 per cent. The degree of real Protection is a matter of economic expediency which must be determined separately for each of our principal articles of manufactured

import. I am now merely illustrating the principle upon which our new Tariff should be constructed. This principle can easily be understood, and it should be approved by reason of its justice to our own workmen, whose vital interests are now sacrificed by our non-Free-Trade to the interests of workmen in foreign countries, in defiance of the economic sagacity of nearly every foreign nation, and of all self-governing British colonies. None of whom will use our foolish method of foreign commerce, because these nations rightly desire to protect the interests of their own population, not to give State Aid to the commercial interests of their rivals in trade, to the direct injury of their own internal industries, and at the direct cost of these industries.

As is plainly shown in this chapter, the United Kingdom super-taxes its own home production and industries for the benefit of our imported foreign goods, which are thus enabled to compete unfairly in our home markets with our home production—to the great injury of our own workmen.

In Chapter I. we have seen the great decay in our premier home industry, Agriculture. The trade policy by which we have been working during the last two generations has inflicted upon this country one of the gravest injuries a country can receive—namely, the loss of power to feed itself. There is no part of home production, of home industry, so vital to a country's safety and welfare in peace time or in war time, as agriculture. Our trade policy is merely commercial, merely designed for the making of money profit. It ignores the first duty, the first self-interest of a nation, the maintenance of its power to feed itself. In recent years, we have begun to experience the rising cost of food. This is likely to continue. All over the world, labour is being drawn towards towns and cities, and away from agriculture. Simultaneously, the world's population largely increases, and so the demand for food increases. We in this country are in a much weaker condition than any other country as regards dependence for food upon outside supply of food. Therefore, we are more exposed than

any other country is exposed to the danger, already arisen and likely to increase, of having to pay in peace time an enhanced price for our food. While in war time, there will be the further danger of our food supply being prevented from reaching our ports.

Does any one realise the extent to which the food we eat comes to us across the seas? In Chapter I. some striking facts are shown as to the great increase in our oversea wheat-supply and, the great decrease in our home-grown wheat-supply. And in Table 250, we see that during the last decade our imported food, etc., in Class I. of our import trade amounted to a value of £238,000,000 yearly.

In the year 1910, this value of our imported food, etc., was £258,000,000—over £700,000 per day—nearly £30,000 of food per hour of the day and night, nearly £500 per minute of the year 1910. From every point of the compass, during each second of the day and night, numberless ships are constantly churning their sea-path to converge upon these islands in the North Sea, laden with food for us to eat. And yet there is no land more fertile, no land more productive of crop produce per acre, than the land of the United Kingdom. The glamour of our sham Free Trade is responsible for this grave national danger. No remedial measures now possible would enable us at once to return to a national condition of safety as regards our food supply. The injury done to our premier home industry has bitten in too deep, and the wound has festered. But pending a resolute endeavour to restore vitality to our agriculture, the only way by which we can for the present avoid the danger of a further increase in the cost of our food is by the adoption of Mr Chamberlain's policy of Imperial Preference. . Because the adoption of this policy would mean the immediate extension of food-producing areas in British Dominions for the purpose of supplying the United Kingdom with the extra food so produced. Lacking the adoption of the policy of Imperial Preference, there is nothing to stand between food-eaters in

the United Kingdom and a further increase in the price of food. For, as already stated, the world demand for food is increasing relatively to the world production of food, and as the United Kingdom holds a weaker position as regards the production of food for its population than is held by any other nation, it follows that the United Kingdom is more exposed than is any other country to the danger resulting from a relative decrease in world production of food.

APPENDICES

APPENDIX A

As stated in the Introduction, an example of the application of the actuarial process of graduating a series of crude facts is given in Table 251. This table relates to the yearly value of Special Exports of Manufactured Goods per £1000 of our Special Imports of all kinds, namely, to the paying-power of our special exports of manufactured goods. The various parts of Table 251 may be explained as follows :—

- (1) states the years from 1880 to 1909 inclusive.
- (2) is the crude or ungraduated yearly value of special exports of manufactured goods per £1000 of our special imports of all kinds obtained by direct computation upon the Trade Returns. We see that (2) contains many confusing fluctuations which prevent the course of trade being clearly seen. We cannot see the duration and the extent of the fall nor the duration and the extent of the rise which is also to be seen in some parts of (2).
- (3) is the graduated yearly value of column (2). It has been obtained from (2) by the use of an excellent formula,* invented by Mr G. F. Hardy, an actuary who is a brilliant mathematician. We see in (3) that all the confusing fluctuations of (2) vanish, and that the course of trade is clearly seen. There was a continuous Rise during 1880-1887, a continuous Fall from 1887 to 1900, and a continuous Rise from 1901 to 1909. The accuracy of this graduated rate (3) must now be tested. *Explanation continued on page 571.*

* If the graduated value of each year of the series be represented by U'_x , and the ungraduated value by U_x , then :—

$$U'_x = \frac{1}{120} \left\{ 24U_x + 22(U_{x-1} + U_{x+1}) + 17(U_{x-2} + U_{x+2}) + 10(U_{x-3} + U_{x+3}) \right. \\ \left. + 4(U_{x-4} + U_{x+4}) - 2(U_{x-6} + U_{x+6}) - 2(U_{x-7} + U_{x+7}) - (U_{x-8} + U_{x+8}) \right\}$$

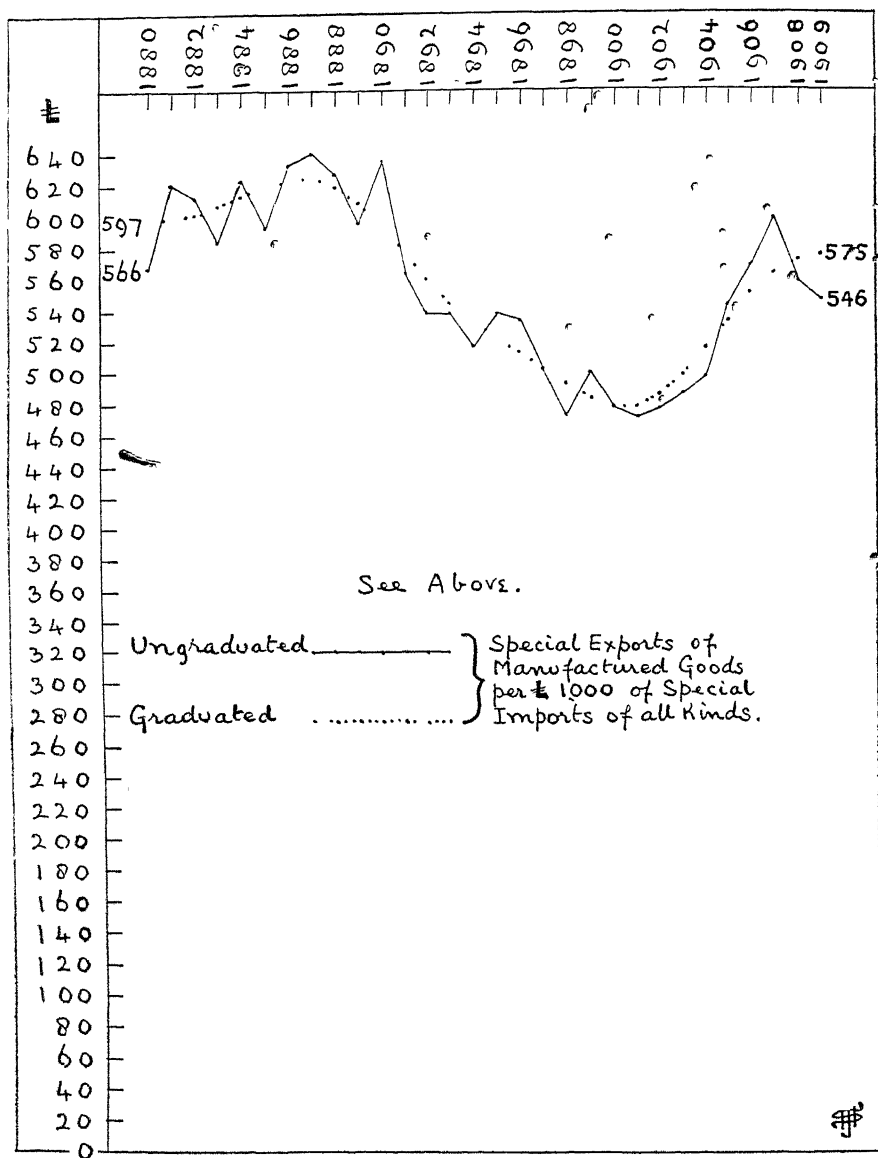
TABLE 251.—UNITED KINGDOM: SHOWING HOW MUCH OF EACH £1000 OF SPECIAL IMPORTS OF ALL KINDS WAS PAID FOR BY SPECIAL EXPORTS * OF MANUFACTURED GOODS, 1880-1909.

An example of actuarial graduation of a rough, ungraduated series.

Year	Yearly Value of Special Exports of Manufactured Goods of All Kinds. See Diagram XCII.		Proof of the Accuracy of the Graduated Value (3)			
	Ungraduated. Computed from the Trade Records	Graduated. Computed by the formula stated in the Text	Yearly Value of Special Exports of Manufactured Goods		Difference between (4) and (5)	
			Actual Value From Trade Records	Value as obtained by Graduated Results (3)	(5) - (4)	(4) - (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£	£	Million £.	Million £	Million £	Million £
1880	566	597	197	208	11	..
1881	620	598	207	200	..	7
1882	612	601	213	209	..	4
1883	584	606	211	219	8	..
1884	624	612	204	200	..	4
1885	594	618	186	193	7	..
1886	633	623	186	183	..	3
1887	640	624	194	189	..	5
1888	627	619	203	201	..	2
1889	596	609	215	220	5	..
1890	635	595	226	212	..	14
1891	564	577	211	216	5	..
1892	538	560	193	201	8	..
1893	538	545	186	189	3	..
1894	517	532	181	186	5	..
1895	538	521	192	186	..	6
1896	534	512	206	198	..	8
1897	501	502	196	196	..	..
1898	473	493	194	202	8	..
1899	500	484	210	203	..	7
1900	478	478	220	220	..	..
1901	471	478	214	217	3	..
1902	477	485	221	225	4	..
1903	486	498	230	236	6	..
1904	497	515	239	247	8	..
1905	542	533	264	259	..	5
1906	568	550	297	286	..	11
1907	598	563	332	310	..	22
1908	558	571	286	291	5	..
1909	546	575	291	303	12	..
					98	98
Total	..	..	6605	6605	Difference = Nil	

* Excluding ships.

DIAGRAM XCII.—SEE TABLE 251. UNITED KINGDOM: SHOWING HOW MUCH OF EACH £1000 OF SPECIAL IMPORTS OF ALL KINDS WAS PAID FOR BY SPECIAL EXPORTS* OF MANUFACTURED GOODS, 1880-1909. AN EXAMPLE OF ACTUARIAL GRADUATION OF A ROUGH, UNGRADUATED SERIES See the Formula stated on page 568, and see Table 251, for Proof of the Accuracy of the Graduated Series shown below.



* Excluding ships.

Example.—Year 1880, Special Exports of Manufactured Goods (graduated), paid for £597 per £1000 of Special Imports of all kinds; year 1909, for £575 per £1000—with a much larger intervening fall.

TEST OF THE ACCURACY OF GRADUATED RATE (3).

- (4) is the actual yearly value of special exports of manufactured goods taken from the Trade Returns.
- (5) is the yearly value of special exports of manufactured goods obtained by multiplying the graduated rate (3) by the yearly value of special imports of all kinds.
- (6) is the yearly difference between (4) and (5) where (5) is greater than (4).
- (7) is the yearly difference between (4) and (5) where (5) is smaller than (4).

Columns (4), (5), (6), (7), prove the graduated rate (3) to be accurate, for these reasons:—The total actual value of (4) during 1880-1909 was 6605 million £, and the total value of the results (5) based upon the graduated value (3), is also 6605 million £: a difference of nil during the whole of the thirty years. This means that while all the confusing fluctuations of the actual results (2) have vanished from (3), yet the full force of the actual results has been preserved.

The diagram contrasts the ungraduated value (2) with the graduated value (3). It should be understood that actuarial methods are by no means of purely academic interest, for they are widely and daily used in direct connection with assurance and other affairs of great importance. The method of graduating trade results here explained is in some respects better than the more simple method used throughout this book, but the latter has the advantages of being non-technical and of being easily understood and checked by anyone.

APPENDIX B

TABLE 252.—UNITED KINGDOM: SHOWING THE FOREIGN WAGES CONTAINED IN GENERAL IMPORTS OF ALL KINDS, AND THE BRITISH WAGES CONTAINED IN GENERAL EXPORTS OF ALL KINDS,* 1880-1910. *Yearly Averages during each Decade. SEE PAGE 534.*

Decade.	Foreign Wages contained in our General Imports. Classes I., II., III., IV.†	British Wages contained in our General Exports. Classes I., II., III., IV.†	Excess of Foreign Wages in our whole Foreign Commerce. (A - B.) C.
	A.	B.	C.
	Million £	Million £	Million £.
1880—1889	144.4	110.3	34.1
1881—1890	144.9	112.1	32.8
1882—1891	146.5	112.7	33.8
1883—1892	147.1	111.8	35.3
1884—1893	146.6	110.7	35.9
1885—1894	147.4	109.9	37.5
1886—1895	149.2	110.3	38.9
1887—1896	152.8	111.6	41.2
1888—1897	156.3	112.0	44.3
1889—1898	159.5	111.8	47.7
1890—1899	161.9	112.0	49.9
1891—1900	165.9	112.4	53.5
1892—1901	169.5	113.3	56.2
1893—1902	173.7	115.5	58.2
1894—1903	179.0	118.5	60.5
1895—1904	184.5	122.1	62.4
1896—1905	190.2	126.6	63.6
1897—1906	196.6	132.3	64.3
1898—1907	203.9	140.7	63.2
1899—1908	208.4	146.6	61.8
1900—1909	213.6	151.9	61.7
1901—1910	219.2	158.5	60.7
Yearly Increase from the first to the last decade	74.8	48.2	26.6

* Excluding ships.

† These wages are computed by assuming that one-half of the value of manufactured goods, Class III., represents the wages in these goods; and that one-third of the value of non-manufactured goods, Classes I., II., IV., represents the wages in these goods. That part of our General Exports which relates to our Re-Exports is here assumed not to contain any British Wages.

Observe the large increase in column C. During the first decade, the excess of foreign wages was 34.1 million £ yearly; and during the last decade, 60.7 million £ yearly.

APPENDIX C

TABLE 253.—UNITED KINGDOM: SPECIAL EXPORTS CONSIGNED TO VARIOUS COUNTRIES IN THE YEAR 1910, DISTINGUISHING SPECIAL EXPORTS OF MANUFACTURED GOODS. SEE CHAPTER VI., PAGE 216.

Countries to which the Special Exports were Consigned.	Special Exports from the United Kingdom.		
	Classes I., II., III., IV.	Class III. Manufactured Goods.	Percentage Proportion of (b) to (a).
	(a)	(b)	
	Million £.	Million £.	Per cent.
Germany	37·03	26·02	70·3
United States	31·45	24·74	78·7
France	22·46	14·41	64·1
Holland	12·70	8·75	68·9
Belgium	10·89	7·42	68·1
The above 5 Foreign Countries	114·53	81·34	71·0
Australia	27·57	24·91	90·3
Canada	19·64	17·08	86·9
New Zealand	8·75	7·77	88·8
The above 3 British Dominions	55·96	49·76	88·9

Including ships.

Based upon particulars supplied on 24th March 1911 by the President of the Board of Trade, in reply to a question in the House of Commons.

* Observe that 71 per cent. of the Special Exports from the United Kingdom to these Foreign Countries were Special Exports of Manufactured Goods, and that 88·9 per cent. of the Special Exports from the United Kingdom to these British Dominions were Special Exports of Manufactured Goods. We sold more Manufactured Goods to Australia than we sold to the United States; we sold more Manufactured Goods to Canada than we sold to France; we sold more to New Zealand than we sold to Belgium. See column (b) of Table 253.

Note.—The published trade records do not admit of particulars similar to the above being ascertained for a series of years. See remarks on page 216 as to the desirability of inducing the Board of Trade to publish full information as regards our trade in Manufactured Goods. See also the Draft Return that follows on page 574.

This is a Draft of a Return that should be published each year by the Board of Trade, relating to the United Kingdom's Oversea Trade in Manufactured Goods (Class III. of the Board of Trade's classification). Period 1880 and following years. (See page 216.)

UNITED KINGDOM'S TRADE WITH THE UNITED STATES IN CLASS III.
MANUFACTURED GOODS.

Year.	General Imports from United States.	Special Exports to United States.	Re-Exports to United States.
1880			
1881			
1882			
1883			
1884			
and so on for each year to 1908—	We want to know these facts.	We want to know these facts.	We want to know these facts.
1909			
1910			
1911			
1912			
etc.			

Note.—A return similar to the above should be annually published by the Board of Trade, each return beginning with the year 1880 and ending with the last completed year, as regards the United Kingdom's trade in Class III. with each Foreign Country and with each British Dominion, Possession, or Colony. A summary should be appended showing the total trade in Class III for General Imports, for Special Exports, for Re-Exports. This summary should be given under two headings, namely, Foreign Countries, British Colonies.

APPENDIX D

TABLE 254.—UNITED KINGDOM: SPECIAL EXPORTS, 1880-1909: SHOWING THE PRINCIPAL AND OTHER FOREIGN COUNTRIES THAT BOUGHT THESE EXPORTS. SEE CHAPTER VII., PAGE 237.

SPECIAL EXPORTS FROM THE UNITED KINGDOM, 1889-1909			
To	Total for the thirty years.	Yearly Average.	Per £1000 of Total Special Exports to All Countries.
	Million £	Million £	£
United States	751	25·0	94
Germany	670	22·4	84
France	489	16·3	61
Holland	283	9·4	35
Belgium	257	8·6	32
Argentine Republic	236	7·9	29
Italy	227	7·6	28
Russia	223	7·4	28
Brazil	201	6·7	25
China	199	6·6	25
Turkey	189	6·3	24
Sweden and Norway	178	5·9	22
Japan	161	5·4	20
Egypt†	147	4·9	18
Spain	124	4·1	15
Denmark	93	3·1	12
Chile	89	3·0	11
The above 18 Foreign Countries	4517	150·6	564
All other Foreign Countries	734	24·4	92
All Foreign Countries	*5251	175·0	656
All British Colonies	†2755	91·8	344
All Countries	8006	266·8	1000

Every Foreign Country is shown separately to which during any one of the thirty years 1880-1909 the United Kingdom sent £5,000,000 or more of Special Exports.

* The above table includes exports of ships during 1899-1909; these exports of ships to All Foreign Countries amounted to 70 million £ during the whole of this period, and 5251 less 70=5181 million £, which agrees with the amount stated on page 237, Chapter VII.

† Our Special Exports to British Colonies during 1880-1909—namely, 2755 million £—were in excess of our Special Exports to our Six Biggest Foreign Customers combined, viz., United States, Germany, France, Holland, Belgium, Argentine Republic; total, 2686 million £.

APPENDIX E

TABLE 255—ENGLAND AND WALES: SHOWING THE TOTAL NUMBER OF PERSONS OCCUPIED IN THE PRINCIPAL GROUPS OF INDUSTRIES AT THE SIX CENSUS DATES, 1851-1901. SEE CHAPTER I, TABLE 4.

Industry.	1851.	1861.	1871.	1881.
<i>Manufacturing Industries:</i>				
Cotton	415,000	492,000	509,000	552,000
Woollen and Worsted	256,000	230,000	247,000	240,000
Boot and Shoe	244,000	256,000	225,000	224,000
Silk	131,000	116,000	83,000	65,000
Iron and Steel	95,000	129,000	191,000	201,000
Machinery and Ships	81,000	124,000	173,000	215,000
Lace	62,000	55,000	49,000	44,000
Furniture	48,000	64,000	75,000	84,000
Earthenware and Glass	46,000	54,000	65,000	68,000
Linen	27,000	23,000	19,000	13,000
The above 10 Industries	1,405,000	1,543,000	1,636,000	1,708,000
<i>Non-manufacturing Industries:</i>				
Agriculture	1,905,000	1,803,000	1,424,000	1,200,000
Building	399,000	472,000	583,000	687,000
Coal-mining	193,000	271,000	315,000	383,000
Tailoring	139,000	143,000	150,000	161,000
Printing and Bookbinding	33,000	46,000	64,000	88,000
The above 5 Industries	2,669,000	2,735,000	2,536,000	2,519,000
The above 15 Industries	4,074,000	4,278,000	4,172,000	4,227,000

Based upon Cd. 1761, page 362.

* Here estimated for the year 1901; this estimate is probably too high.

Note.—The above summary takes no account of the growth of Population during 1851-1901. See Table 4 for the Rates of Occupation per 10,000 of population, based upon the above summary; the Rate of Occupation is the right test of the occupation-providing power of our home industries. Observe, in the above summary, the falling-off in 1901 as compared with 1891 in Cotton, Woollen and Worsted, Silk, Linen, Agriculture, and note the small rise in the group of the 10 Manufacturing Industries—a rise that did not keep pace with the growth of population. See Table 4.

APPENDIX E

TABLE 255—*continued*.—ENGLAND AND WALES: SHOWING THE TOTAL NUMBER OF PERSONS OCCUPIED IN THE PRINCIPAL GROUPS OF INDUSTRIES AT THE SIX CENSUS DATES, 1851-1901. SEE CHAPTER I., TABLE 4.

Industry.	1891.	1901.	Increase or Decrease in 1901 as compared with 1851.	
			Increase.	Decrease.
<i>Manufacturing Industries:</i>				
Cotton	606,000	582,000	167,000	.
Woollen and Worsted	258,000	236,000	..	20,000
Boot and Shoe	249,000	251,000	7,000	.
Silk	52,000	39,000	...	92,000
Iron and Steel	202,000	216,000	121,000	..
Machinery and Ships	292,000	*395,000	314,000	.
Lace	35,000	36,000	..	26,000
Furniture	101,000	122,000	74,000	...
Earthenware and Glass . . .	83,000	93,000	47,000	.
Linen	9,000	5,000	.	22,000
The above 10 Industries . .	1,887,000	1,975,000	570,000	.
<i>Non-manufacturing Industries.</i>				
Agriculture	1,100,000	988,000	..	917,000
Building	701,000	946,000	547,000	..
Coal-mining	519,000	649,000	456,000	.
Tailoring	209,000	259,000	120,000	.
Printing and Bookbinding . .	122,000	150,000	117,000	.
The above 5 Industries . .	2,651,000	2,992,000	323,000	.
The above 15 Industries . .	4,538,000	4,967,000	893,000	..

Note.—In 1851 the order of importance as regards occupation was:—

- | | | |
|-------------------------|--------------------------|-------------------------------|
| 1. Agriculture. | 6. Coal-mining. | 11. Lace. |
| 2. Cotton. | 7. Tailoring. | 12. Furniture. |
| 3. Building. | 8. Silk. | 13. Earthenware and Glass. |
| 4. Woollen and Worsted. | 9. Iron and Steel. | 14. Printing and Bookbinding. |
| 5. Boot and Shoe. | 10. Machinery and Ships. | 15. Linen. |

In 1901 the order of importance as regards occupation was:—

- | | | |
|-------------------------|-------------------------------|----------------------------|
| 1. Agriculture. | 6. Tailoring. | 11. Furniture. |
| 2. Building. | 7. Boot and Shoe. | 12. Earthenware and Glass. |
| 3. Coal-mining. | 8. Woollen and Worsted. | 13. Silk. |
| 4. Cotton. | 9. Iron and Steel. | 14. Lace. |
| 5. Machinery and Ships. | 10. Printing and Bookbinding. | 15. Linen. |

APPENDIX F

TABLE 256.—THE PRICE OF BRITISH WHEAT AND THE PRICE OF IMPORTED WHEAT, PER IMPERIAL QUARTER OF 480 LBS.; ALSO, THE PRICE OF THE 4 LBS. LOAF IN LONDON, AND THE RELATION BETWEEN THE PRICE OF WHEAT AND THE PRICE OF BREAD, 1880-1909. SEE TABLE 25 AND PAGE 61.

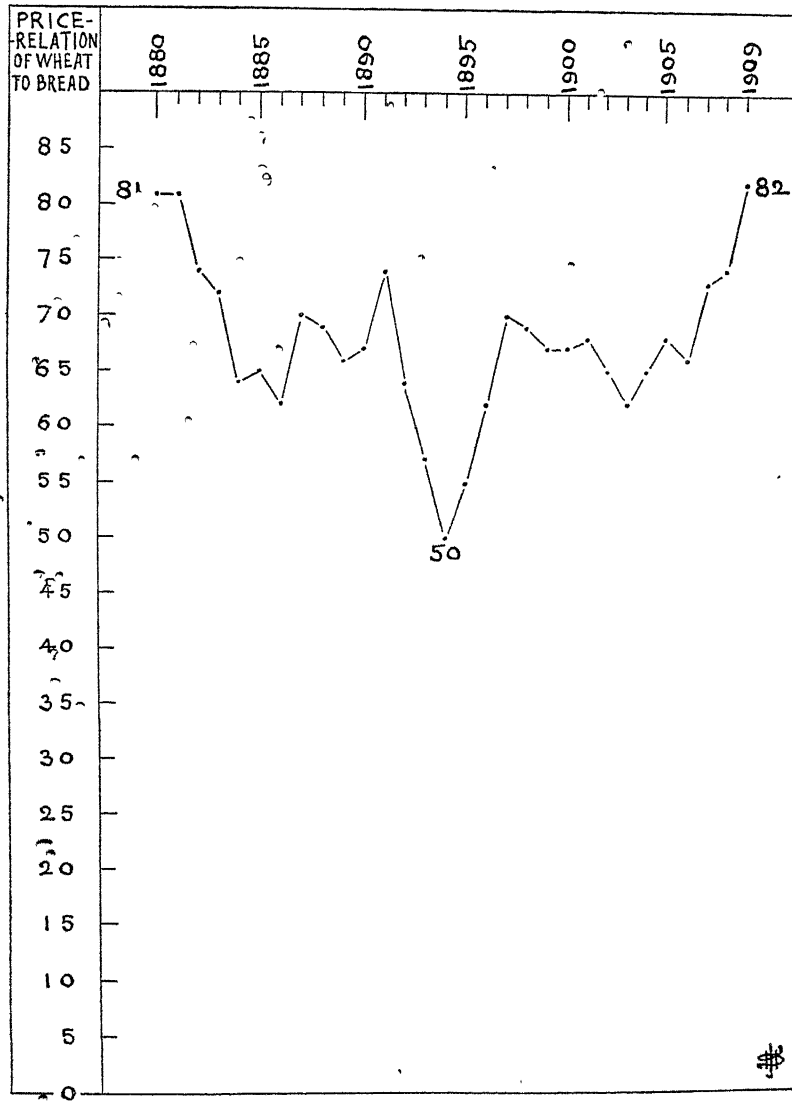
Year.	Average Yearly Price of Wheat per Quarter of 480 lbs.			Average Yearly Price of Bread per 4 lbs. Loaf.	Relation between the Price of Wheat and the Price of Bread.	
	British Wheat.	Imported Wheat.	Excess of B over A.		Price of Imported Wheat, B×12.	Price-relation of Wheat to Bread, E-D.
	A.	B.	C.	D.	E.	F.
	Shillings.	Shillings.	Shillings	Pence	Pence	
1880	44·3	*47·5	3·2	7·0	*570	81
1881	*45·3	47·3	2·0	7·0	568	81
1882	45·1	45·8	·7	*7·4	550	74
1883	41·6	42·0	·4	7·0	504	72
1884	35·7	36·1	·4	6·8	433	64
1885	32·8	33·6	·8	6·2	403	65
1886	31·0	32·3	1·3	6·2	387	62
1887	32·5	32·8	·3	5·6	394	70
1888	31·8	32·9	1·1	5·7	395	69
1889	29·8	32·9	3·1	6·0	395	66
1890	31·9	33·4	1·5	6·0	401	67
1891	37·0	38·1	1·1	6·2	457	74
1892	30·2	32·8	2·6	6·2	394	64
1893	26·3	27·6	1·3	5·8	331	57
1894	†22·8	†22·9	†·1	5·5	†275	†50
1895	23·1	23·6	·5	5·1	283	55
1896	26·2	26·5	·3	5·1	318	62
1897	30·2	31·9	1·7	5·5	383	70
1898	34·0	34·3	·3	6·0	412	69
1899	25·7	28·7	3·0	5·1	344	67
1900	26·9	29·2	2·3	5·2	350	67
1901	26·8	28·4	1·6	†5·0	341	68
1902	28·1	28·7	·6	5·3	344	65
1903	26·8	29·1	2·3	5·6	349	62
1904	28·3	30·0	1·7	5·5	360	65
1905	29·7	31·0	1·3	5·5	372	68
1906	28·2	30·2	2·0	5·5	362	66
1907	30·6	32·9	2·3	5·4	395	73
1908	32·0	36·0	*4·0	5·8	432	74
1909	36·9	39·6	2·7	5·8	475	*82
Average for the 30 years }	31·7	33·3	1·6	5·9	399	68
Difference between Maximum and Minimum }	22·5	24·6	3·9	2·4	295	32

Based upon Cd. 4954, pages 192 and 194; Cd. 5296, pages 243 and 286.

* Maximum.

† Minimum.

DIAGRAM XCIII.—SEE TABLE 256, COLUMN F: SHOWING THE PRICE-RELATION BETWEEN IMPORTED WHEAT PER QUARTER (480 LBS.) AND THE 4 LBS. LOAF OF BREAD, FOR EACH OF THE THIRTY YEARS 1880-1909.



Example.—In the year 1880, the price of Imported Wheat per Quarter (480 lbs.) was 81 times the price of the 4 lbs. Loaf; in the year 1894, the price-relation was only 50 in place of 81. The above facts show that there is no close relation between the price of Wheat and the price of the Loaf.

NOTES CONCERNING TABLE 256.

In Table 256 we have much information as regards the price of wheat and the price of bread. The facts now shown should be carefully studied, for they give ample evidence of the untrustworthiness of popular notions, and of political assertions, not based upon the investigation of fact, which are frequently made concerning this matter of the price of wheat and the price of bread.

Columns A, B, and C.—Here we have the price of British wheat and the price of Imported wheat. During 1880-1909 the price of British wheat has always been lower than the price of Imported wheat. The average difference was 1·6 shillings per quarter of wheat, and the maximum difference was 4 shillings in the year 1908. These facts show that our home-grown wheat does not, as is popularly supposed, rise to the level of the price of our imported wheat. Further, these facts supply an argument in favour of promoting the cultivation of home-grown wheat, for the price of the latter is less than the price of our imported wheat.

Column B.—We have seen in Chapter I., Table 21, the large rise in our dependence for our bread upon imported wheat, which forms our main supply. Therefore, in looking at variations in the price of wheat, it is proper to use as a basis our imported wheat rather than our home-grown wheat. See column B of Table 256. The maximum price was 47·5 shillings per quarter in the year 1880, the minimum price was 22·9 shillings in the year 1894—a difference of 24·6 shillings in the price of one quarter of wheat (480 lbs.). This difference is more than twelve times as much as the proposed import duty of 2 shillings per quarter of wheat imported by us from foreign countries. Bear in mind that during this period 1880-1909 there has been no outcry as regards the price of bread, although the price of imported wheat has differed by as much as 24·6 shillings per quarter. Contrast that simple fact with the statements that have been made by opponents of the policy of Imperial Preference.

Columns B and D.—We will now compare the price of imported wheat with the prices of the 4 lbs. loaf of bread.

The price of bread was 5·8 pence in the year 1909, when wheat was 39·6 shillings per quarter, and the price of bread was also 5·8 pence in the year 1893, when wheat was 27·6 shillings per quarter. Thus, imported wheat rose by 12 shillings per quarter without affecting the price of the loaf.

In the year 1897 the price of bread was 5·5 pence, when wheat was 31·9 shillings; but in the year 1894 the price of bread was also 5·5 pence, although the price of wheat was 22·9 shillings. Thus during the short period 1894-1897 the price of wheat rose by 9 shillings per quarter without affecting the price of the loaf.

Again, in 1901 the price of bread was 5 pence, and the price of wheat was 28·4 shillings. In 1894 the price of bread was 5·5 pence, and the price of wheat was 22·9 shillings. In this instance the price of wheat advanced by 5·5 shillings per quarter, and the price of bread declined by ·5 pence, that is, by one halfpenny per loaf. The price of wheat went up, and the price of bread went down.

In the year 1880 the price of bread was 7 pence, and the price of wheat was 47·5 shillings. In 1894 the price of bread was 5·5 pence, and the price of wheat was 22·9 shillings. But if the price of bread closely depends upon the price of wheat, as is commonly asserted, the price of bread in the year 1894, as compared with the year 1880, ought to have been 3·4 pence in place of 5·5 pence. [$22·9 \div 47·5 \times 7 = 3·4$ pence.] Many similar instances may be seen in columns B and D of Table 256. And these results show plainly that the retail price of the 4 lbs. loaf is not closely connected with the price of wheat. The price of the loaf varies independently and to a considerable extent, quite apart from the fluctuations in the price of wheat.

Columns E and F.—We may here see a striking series of results which show the relation between the price of wheat and the price of bread; or, it would be more correct to say, which show the absence of any close relation between the price of wheat and the price of bread. In column E we have the price of imported wheat per quarter stated in pence; in column F we have the price-relation between the price of wheat per quarter and the price of bread per 4 lbs. loaf. The latter being taken as the unit, the price of wheat is then the number of units stated in column F. For instance, in the year 1880, when wheat was 47·5 shillings per quarter (570 pence) and bread 7 pence per loaf, the price of wheat was eighty-one times the price of bread. Having noted the construction of column F, now look at the results in it, and look at the great divergences between the price of wheat and the price of bread.

In the year 1894 the price of wheat was fifty times as much as the price of bread; in the year 1909, the price of wheat was eighty-two times as much as the price of bread—a difference of no fewer than 32 units of price.

Taking the average for the thirty years, we see in column F that the

price of wheat was sixty-eight times the price of the loaf. And if the price of bread really depended upon the price of wheat, with even an approximate sensitiveness to the price of wheat, then we ought to see in column F of Table 256 a series of results each one of which should be not far removed from 68 units. But the actual results are very different from this uniformity. As we have seen, the results in column F range between the wide limits of 50 and 82 units of price-relation between wheat and bread.

Any person who may care to examine the results in Table 256 will come to the conclusion that an import duty of 26 shillings per quarter on foreign wheat, British Colonial wheat to come in here free of duty, could not possibly affect the price of the 4 lbs. loaf. By the light of fact, an import duty of 5 shillings per quarter on foreign wheat could be levied by us without any appreciable effect upon the retail price of a 4 lbs. loaf of bread. It may be mentioned that the Board of Trade Report on the cost of living in French towns states that "the bread eaten by the French working-classes is almost entirely wheaten bread of good quality . . . The predominant range (of prices) was $5\frac{1}{2}$ pence to 6 pence." Thus, the price of bread in France is no greater than in England, despite the fact that in France there is an import duty of 12s. 3d. per quarter on foreign wheat. France has wisely preserved its agriculture, and has a large home supply of wheat.

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